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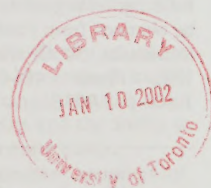
Jeudi 6 décembre 2001

Standing committee on finance and economic affairs

Ontarians with Disabilities
Act, 2001

Comité permanent des finances et des affaires économiques

Loi de 2001 sur les personnes
handicapées de l'Ontario



Chair: Marcel Beaubien
Clerk: Susan Sourial

Président : Marcel Beaubien
Greffière : Susan Sourial

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 6 December 2001

Jeudi 6 décembre 2001

The committee met at 1140 in the Victoria Inn, Thunder Bay.

ONTARIANS WITH DISABILITIES
ACT, 2001LOI DE 2001 SUR LES PERSONNES
HANDICAPÉES DE L'ONTARIO

Consideration of Bill 125, An Act to improve the identification, removal and prevention of barriers faced by persons with disabilities and to make related amendments to other Acts / Projet de loi 125, Loi visant à améliorer le repérage, l'élimination et la prévention des obstacles auxquels font face les personnes handicapées et apportant des modifications connexes à d'autres lois.

The Chair (Mr Marcel Beaubien): Good morning, everyone. I'd like to bring this committee to order. We're here this morning to consider Bill 125, An Act to improve the identification, removal and prevention of barriers faced by persons with disabilities and to make related amendments to other Acts.

On behalf of the committee, I would like to apologize for being late. Due to the weather conditions, there was nothing we could do about it, but I appreciate your understanding and we apologize for the delay this morning. We'll try to catch up over the lunch hour so the people making presentations this afternoon are not jeopardized with regard to their timelines.

ONTARIO BRAIN INJURY ASSOCIATION

The Chair: Our first presentation this morning is from the Ontario Brain Injury Association. I would ask the presenter to please come forward, and please state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Ms Alice Bellavance: Good morning. My name is Alice Bellavance. It is an honour to speak before the committee today on a subject that is very important to our entire community.

I am representing 18,000 Canadians, one third of those in Ontario alone, who are living with the effects of an acquired brain injury each year, so it's cumulative over time in terms of the numbers we are adding to our ranks. I am a member of the Ontario Brain Injury Association

and represent northwestern Ontario on their board of directors. I am also a member of the local association.

I would like to provide a few facts on brain injury. Acquired brain injury is the leading cause of death and disability in Ontario for those under the age of 45. A brain injury doesn't heal quite like a broken arm or a broken leg, and the results may last a lifetime. So if you consider the thousands who are injured each year and you consider even the last 20 years, you begin to get an idea of just how many people live with these effects every day in Ontario.

Brain injury can occur as a result of a motor vehicle collision, which represents approximately half of the acquired brain injury individuals in this province according to the Ontario trauma registry; falls, particularly among the elderly and toddlers; assaults; diseases such as meningitis and encephalitis; and brain tumours. There are other sudden-onset medical diagnoses which leave individuals with similar effects.

Brain injury doesn't distinguish itself by age, gender or socio-economic status. It can happen to any of us in this room. It can happen at work, it can happen at play, or it can even happen on our way home from the meeting today.

Chances are that at least one person you work with, know or love has experienced the effects of this type of injury, and the effects are devastating. No two brain injuries are exactly alike and the range may be from mild to severe.

Brain injury cuts across all disability groups. Because the brain controls all of our functioning, people with brain injury may have visual impairments, hearing impairments, speech impairments, or mobility difficulties often requiring the use of a wheelchair or walker or other mobility device.

The most difficult impairments for family members, friends and especially employers to understand are the personality changes and cognitive changes that can occur to the ability to organize their thoughts and the ability to remember things that used to happen quite easily.

One thing I need to remind committee members of, because I know you've been hearing from members of our association at the various sites where you've been having these hearings, is that a number of the individuals we work with may visibly not appear to have any impairments at all, and their long-term memory is intact so they remember that they used to be able to accomplish

specific tasks around their jobs or in school. However, now, subsequent to their injury, they may not be able to complete those tasks.

The Ontario Brain Injury Association was formed in 1986. We currently are linked with 24 community groups across the province, with total membership in the thousands. We have a 20-member board of directors made up of survivors, family members, professionals, service providers and business people from every part of the province.

We are here today because we are deeply concerned that Ontarians have the opportunity to participate as fully as possible in all aspects of life in Ontario. Like many other individuals and advocacy groups, we would like to be very much more comfortable with an ODA that laid out explicit timelines for the removal of specific barriers. It would also be comforting to have some assurance that these timelines would be effectively enforced.

It is also imperative that the terms of reference for the advisory groups address the following: representation from a full range of disabilities, length of term of service, a requirement that all reports be made public and that advisory councils be given the authority to identify any and all barriers.

However, our principal reason for being here today is to focus the committee's attention on barriers that are faced by the thousands of Ontarians who are living with the effects of an acquired brain injury.

Brain injury is a unique disability group and is not limited to any specific kind of impairment. People with brain injury can live with a combination of physical, sensory, cognitive or emotional impairments, and sometimes they have all of the domains affected. Accordingly, we urge the committee to recommend that acquired brain injury be included in the definition of "disability" in the act.

People with physical impairments must contend with limited access to public buildings, businesses, transportation and recreational facilities on a daily basis. These barriers are readily identifiable. The proposed ODA attempts to address this issue of physical barriers. Similarly, barriers for those with sensory impairments such as vision and hearing are addressed in the act through the use of alternative formats.

However, the barriers that are faced by people living with cognitive and emotional impairments are much more difficult to identify and address. We speak of attitudinal barriers that often exclude those living with these challenges, leaving them isolated and open to ridicule and abuse. We recognize that it is impossible to legislate attitudes and values, but it is possible to have an ODA that encompasses a comprehensive program of public awareness and education that could move society toward understanding, acceptance and accommodation of people with cognitive and emotional impairments.

Let me illustrate some instances of attitudinal barriers. After a recent presentation about acquired brain injury to a Rotary Club in a small Ontario town, a man of about 50 from the audience approached the speaker and remarked

that the presentation had left him feeling very uncomfortable. He said that he was one of four brothers, one of whom had sustained a brain injury eight years earlier as the result of a motor vehicle crash. Prior to the crash, the brothers had regularly worked and played together. Following the crash, the injured brother was withdrawn, often complaining of fatigue. The others saw that claim as a lame excuse to just avoid them. In turn, they cut the injured brother out of aspects of their family life. He ended his story by saying that the speaker's statement that fatigue was a common symptom of ABI made him recognize that his brother was unfairly isolated. Even among family members and close friends, this kind of misunderstanding of the effects of an acquired brain injury results in isolation, often devastating the person with the brain injury, and this is not uncommon.

Many of the individuals I work with daily in my gainful employment with Brain Injury Services of Northern Ontario have that isolation and disconnectedness from their family, because their family does not understand the impact of the brain injury because it's quite invisible in many cases. What we find is that individuals are estranged from their families. Brain injury doesn't happen just to the person; it happens to the whole family. When we start talking about funding our acts, we need to make sure that it's inclusive, not specifically just to the individual but to all the individuals involved in that person's life.

We recognize that there are no simple and quick solutions to removing these attitudinal barriers. However, since they are barriers for thousands of Ontarians, not only those living with the effects of an acquired brain injury but also those with developmental impairments and those who experience mental illness, it is imperative that the government, through the ODA, provide the will and the resources necessary to develop effective public awareness and education.

In summary, the Ontarians with Disabilities Act attempts to address physical barriers faced by those with disabilities but falls short on its goal of supporting the right of every person with a disability to live as independently as possible, to enjoy equal opportunity and to participate fully in every aspect of life in our province through the removal of existing barriers.

We have not had enough time to fully analyze this bill and consider all of its implications, but from our preliminary consideration we recommend the following: that the definition of "disability" include brain injury in its description; that explicit timelines be prescribed for the removal of specific barriers; that the bill have an effective mechanism for enforcement; that the role and authority of the advisory council be defined, its reports be made public and that the disability community have meaningful input; and that the bill make provisions for the allocation of resources to raise public awareness and education of issues faced by those with disabilities, in order to further foster a greater understanding and influence attitudes, working toward the reduction of attitudinal barriers.

1150

A barrier-free community is a minimum goal to full participation of the disabled in society. Through effective regulation and mandated co-operation with the private and public sectors, the Ontarians with Disabilities Act could help deliver broad public awareness and understanding of cognitive and mental disabilities and eliminate other barriers for disabled persons in every part of Canada's richest province.

The Ontario Brain Injury Association, along with many other similar disability organizations, stands prepared to assist the government through its advisory councils outlined in the ODA to develop ways and means necessary to remove attitudinal barriers. We look forward to this challenge.

The disabled of Ontario are looking for leadership on this issue. Don't let them down.

The Chair: We have approximately two minutes per caucus, and I'll start with the official opposition.

Mrs Lyn McLeod (Thunder Bay-Atikokan): Alice, you've very quickly summarized in a few words some of the concerns we have with the bill around the lack of timelines, the lack of enforcement, the lack of resources to support it and the fact that even when it comes to the requirements for ensuring that new building is accessible, there's no clarity that those are actually going to be made regulatory requirements as opposed to guidelines. It's something you didn't mention specifically but we have a concern about. So I guess my question will be to take you back to the issue of the definition. I suspect people might feel as though someone with an acquired brain injury is caught with the definition that's in the bill. Could you tell us how somebody with an acquired brain injury could be missed?

Ms Bellavance: If they don't have any visible signs of impairment or don't have any support requirements for the sensory impairments that they may have, such as a visual impairment or hearing impairment, then you wouldn't know that they had a disability.

Mrs McLeod: So they wouldn't necessarily be caught by a medical model definition?

Ms Bellavance: That's right.

Mrs McLeod: One of the areas I don't think you touched on was the fact that the bill does not extend to private sector establishments, businesses.

Ms Bellavance: That's correct.

Mrs McLeod: I would think that would be pretty limiting for people with acquired brain injury in terms of the sites that they would particularly want to access.

Ms Bellavance: I think that would apply to all groups of disabilities when it involves the private sector, and that's why we made a comment that at some point there needs to be some collaboration between both the private and public sector in terms of how they're going to address the requirements.

Mr Michael Gravelle (Thunder Bay-Superior North): Maybe I'll use my time to say to the members of the government that I hope when we have the clause-by-clause process on Tuesday, December 11, I believe,

where amendments will be brought forward, that at the very least they would accept an amendment whereby the definition of "disability" includes acquired brain injury people as well. Obviously we want to see more amendments than that, but that's one that I think is very significant, and I would hope that the members of the government would support that.

Ms Bellavance: Thank you.

Mr Tony Martin (Sault Ste Marie): Thank you for coming this morning. It's good to be here in Thunder Bay, the great northwestern Ontario. You have raised in your submission some of the things that we've heard over and over again over the last week as we've heard from people: the fact that the definition include everybody who is disabled, the issue of timelines, the issue of enforcement, the role of the advisory committees and that they be made public, and of course the big question of resources to make all this happen.

In northern Ontario—and we flew over a big chunk of country this morning getting here.

Ms Bellavance: That's right.

Mr Martin: There are a lot of small communities, most of them under 10,000 in population. This legislation doesn't cover them. How many of the people you deal with or are connected with in any way in terms of brain injured would live in smaller communities in northern Ontario?

Ms Bellavance: Northern Ontario, and this is my little soapbox that I always get on, represents 90% of the land mass, but we only have 10% of the population and it's pretty sparsely scattered about. We also, unfortunately, in northern Ontario have the highest incidence and prevalence of acquired brain injury in the province. We have an incidence, just in the district of Thunder Bay, of 397 per 100,000; the average is about 200.

Interjection.

Ms Bellavance: It's 397 per 100,000 versus 200 per 100,000 in most other areas. That's primarily because of the geography, the climate, the distances we have to drive, the conditions of the roads that we have to drive on, the nature of the work that we do in northern Ontario—mining and forestry. There's a much higher incidence and prevalence. So there's a large number of people living in all the communities, including the small northern, remote reserves that are only accessible by air.

Mr Martin: So it's not possible for them to, on a regular basis, get into a place like Thunder Bay to get—

Ms Bellavance: If they need really specialized services, they actually have to relocate to a city like Thunder Bay to get the services, because we can't deliver it in those smaller communities.

Mr Martin: So this legislation won't in any effective way help them?

Ms Bellavance: No.

Mr John O'Toole (Durham): Thank you, Ms Bellavance, for your presentation. You're right. A number of things are having a recurring theme to them and the attitudinal barrier is probably the most obvious one. I

think all of us have to be educated. The biggest barrier is just knowledge or experience.

Ms Bellavance: That's right.

Mr O'Toole: I'd like to acknowledge there are two things you've mentioned specifically. I read the definition as far more inclusive, perhaps, than you think of it. If you look at section 2, you'll see that it says "a condition of mental impairment or a developmental disability." It also goes on to say "an injury or disability" which will benefit from other—like an accident injury that's recorded. But I do hear that. I'm not sure if you have something in specific language.

But the one I'm quite supportive of, I want to put on the record, is in the reports. The ODA's mandate: it says sort of at the will of the minister, that it would report. But I kind of support the idea that the report of the ODA annually be made public or tabled in the Legislature. Then it becomes a reference point so that issues could be brought forward, discussed, and government or whoever it is would have to respond in some way. I hope that by my saying that—I'm a member of the government. I'd like to see the report mandatorily tabled in the Legislature and, as such, to be responded to.

Do you have any remarks? Is that strong enough? Right now, it is empowered to examine accessibility issues and the elimination of barriers. There are a lot of mandates within the definition: the council shall advise the minister on a number of things and make an annual report directly to the minister. What's missing is the report being mandated into the Legislature. Any responses?

Ms Bellavance: I think it needs to be public, it needs to be tabled, but there also needs to be a mechanism to respond so that if any further amendments need to be made, there's a mechanism to do that.

The Chair: We've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

I forgot, and it must be because of my age, but I want to let the audience know that the bill is available in Braille. We also have audiotapes, disks, large-print copies, and the bill is also available in French. It's on the table to my left.

CITY OF THUNDER BAY

The Chair: With that I'll ask the next presenter, from the city of Thunder Bay, to please come forward, and if you could state your name for the record. On behalf of the committee, welcome.

Mr Ken Boshcoff: My name is Ken Boshcoff. I'm the mayor of the city of Thunder Bay. Don't worry, it will not take 20 minutes.

I would like to thank you and the representatives here today, particularly the provincial government, for holding a hearing here in Thunder Bay in order that the people of northwestern Ontario could have a say before Bill 125 becomes law. The Honourable Cam Jackson, the minister responsible for the disabled, has done an admirable job in

forging this legislation and working to ensure that the people of Ontario have input prior to third reading.

In May 2000, two meetings of the mayor's round table on disabled issues arrived at a conclusion that for disabled issues to gain momentum, the most immediate need was to have a disability act in our province, one that will have political partisanship set aside in order that we may achieve the best legislation possible.

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Shortly thereafter, a resolution was passed unanimously at Thunder Bay's city council which was further endorsed by both the Northwestern Ontario Municipal Association and the Association of Municipalities of Ontario.

The minister did indeed hear the concerns of many constituencies besides those of Ontario's municipally elected representatives. Our local members, Lyn McLeod and Michael Gravelle, have assisted greatly in raising the level of awareness and helping us through the process.

Thunder Bay, as a community, is very proud of a myriad of initiatives for accessibility and inclusion. Our new community development plan, *Fast Forward >>*, is quite specific with goals that we will become known for our leadership in municipal disabled programming. Our parks and recreation divisions, our engineering, planning, building departments, and our transit and police all weigh accessibility as priorities in their budgeting and planning. All across our municipal government we strive to be understanding and helpful in designing facilities and programs.

This has shown itself in many ways over the years, and our record of co-operation with disabled organizations is lengthy, with many, many positive achievements.

I was hoping to compile a list of these accomplishments to document this so that we all may know how much has been done. There is still much to do. The act, I believe, will help. I will leave the analysis and dissection of the proposed act to those groups who more fully comprehend the implications of the various components.

At a more recently convened meeting of representatives of many local disabled advocacy groups, the overall consensus was to ensure that a hearing was held in Thunder Bay, so again I thank you for taking the time and making sure this hearing will go on. It may be somewhat compact but at least we're here and attentive, and that's important.

A second summary of issues was formed by a coalition of several advocacy organizations and has already been forwarded to you under separate cover. I believe that has been received?

The Chair: It's not here right yet.

Mr Boshcoff: OK. As a board member of the Association of Municipalities of Ontario we are also working on a common position paper for municipalities throughout the province. That should be available to you in the next few days.

My personal goal is to have our city become known as Canada's most inclusive community. However, we would be willing to share such recognition with other Ontario

municipalities, and I believe that a new disabilities act will carry this province forward.

The Chair: Thank you very much. We have three and a half minutes per caucus and I'll start with Mr Martin. Oh, I'll go to the government side and I'll come back to Mr Martin.

Mr Ernie Hardeman (Oxford): Thank you very much, Mr Mayor, for your presentation. Just quickly, it seems that with your Fast Forward >> plan here you've come a long way, or at least in the process you've come a long way. In the bill, of course, there's a reference to mandatory implementation of advisory committees. I guess the first question would be, do you feel that's already where the city of Thunder Bay is going and doing, bringing the people together and forming an advisory committee on where you need to go? Do you feel that is the way to go, and are you getting there?

Mr Boshcoff: Let me say that there is a recognition that we have many strengths and many achievements in our community and we also do recognize our shortcomings and the distance we have to go. I believe that any process of consultation that involves the consumer, or the people who are affected directly, is a good step. If that communication is open and if those people who are having input are representative and have some measure of certainty that the recommendations will be taken seriously and implemented, then I would say that's the track you want to stay on.

Mr Hardeman: Do you have the disabled community involved in that advisory process?

Mr Boshcoff: A year ago in the springtime, I convened two meetings—we called them round tables—just to essentially educate the mayor as to what the shortcomings were and what we had to do. Previous to that, though, there had been considerable input into our community development plan as several disabled organizations were party to that and representatives were working on it hand in hand with the rest of the community. The meeting that I convened recently, after the introduction of the bill, was primarily for me to pass on to the Association of Municipalities of Ontario the feelings of our group here, which I have done.

There was some discussion, of course, as to whether the bill should proceed. We understand that there's a timeline and those types of things. That wouldn't be my decision. I forward all that on to the Association of Municipalities of Ontario and I believe we'll be having a conference call in the next day or so to try and get you something conclusive from the municipal perspective.

Mr Hardeman: Lastly, I just wondered, you were here for the previous presentation on brain injuries?

Mr Boshcoff: Yes.

Mr Hardeman: Because it's an invisible barrier in a lot of cases, the number one recommendation that's coming from the association is public awareness. Obviously that needs to be done where the community is; that can't be done from somewhere in the distance. Have you got any suggestions on how we could do more of that? Obviously the problem, the disability, has been there for

some time, but as a society we haven't done a very good job of public awareness of the situation. Have you got any suggestions on that?

Mr Boshcoff: I do, actually. I think that representatives from our provincial offices were also at an event last week for a respite care facility that also houses—Alice, you can correct me if I'm wrong—a brain injury unit in Andras Court, as it's known. With that type of involvement, where you had at that time the municipal housing authority, the provincial housing authority and various organizations combine to say, "This is the kind of facility that we need; this is the kind of co-operation that we need to get there," we could actually say, "These are the kinds of things that are happening in different communities." I believe those types of projects are one of the reasons that Minister Jackson mentioned us in the House at that time.

Mrs McLeod: Ken, thank you for being here and making a presentation. We noted, of course, that Thunder Bay was cited by the minister, when he presented the bill, for its leadership in creating greater access for the disabled in our community. I'm glad that you also noted today that there is still a long way to go, because I think the people who are here in the audience would agree with that, even in a community that has shown some leadership. I guess that's what leads me to my question. I know you've said you would leave the analysis of the bill to others. Because we do want to recognize the leadership that's been provided, I want you to wear your hat as a member of the municipal association rather than as the mayor of Thunder Bay, if I can ask you to do that?

Mr Boshcoff: I hope they'll let me; I'm sure they will.

Mrs McLeod: I'm not asking you for any confidential secrets, I don't think.

The concern that we have had with the bill, as a caucus and party, is the voluntary nature of it; the fact that it requires plans to be presented but there's no enforcement. We obviously have a concern about the lack of timelines, as well as the enforcement—it's very difficult to enforce something when there's no requirement that you actually proceed with it. If there were timelines, if there were requirements to proceed, we would have some real concern about the resources that might be made available, particularly to the municipal level because there would be some significant financial implications for the municipalities. My question is, in the feedback from the municipalities to the minister, would the municipalities not in fact have been recommending what's here: "Don't put in the timelines. Don't make this mandatory. We just can't afford it and without the resources it's just going to be another download"? I guess my concern is, where's the incentive in this bill for municipalities that have not been providing leadership, have not been doing it out of their own resources, to do anything at all?

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Mr Boshcoff: Let me try and work backwards. In terms of the downloading as an issue, there's no doubt that all of the municipalities of Ontario always have kind of a cautious approach to any kind of legislation that

involves us because we are not really sure how deep the water may become as we jump in.

I would think, though, that there's a willingness to co-operate with the province to a great extent on this. AMO, I am certain, in its position will say that the concerns with timelines may not be so onerous on those that are down the path already but may be for those, as you mentioned, that have not begun in earnest or—for whatever reasons—not gone down that path. That's a concern there.

The financing is always the concern in any of our conference calls. Will the municipalities be charged with this responsibility? I don't think we would mind being part of the implementation process, be it building services or ensuring that things are corrected that haven't been. I would say that the senior government, in terms of forging this legislation, has got to understand that if we are going to be wheels to help implement it, we are going to need resources. To a large extent, it comes down to the municipalities always perhaps saying, "Make sure we are adequately funded." In this case, there seem to be some grey areas here. That's from the Association of Municipalities of Ontario. We would like that part of the legislation cleared up so we know what we'd have to commit to.

Mr Martin: Which actually is my question as well. We've heard continually over the last week or so that there are no timelines, there's no enforcement and there are no resources. Underpinning all that, it seems to me—and the government did consult with AMO and others—is this question of money. Is the money going to be available? If you set timelines and I have to hit those timelines, it is going to cost me to do that. If you don't have the money or the resources, you really can't do any of this.

Mr Boshcoff: Our own experience here in our community is that we have tried to be a little bit ahead of the game in terms of barrier-free municipal facilities. Our building department tries to be, one might say, more diligent in enforcing building codes to ensure these things. We know for certain that things happen during the course of events that might not meet the standard that we are trying to achieve here. So, in answering your question, municipalities—we'll all use our own case—want to go forward quickly with this. We believe here that it is not even just a matter of it being some kind of philosophical thing. Something we believe here intrinsically through the community is that these are the things we should be doing. You will see the reason that there's a large number of advocacy groups here is, I believe, that there is a response and that their messages are being received.

I am hoping this act, over all those things of timelines, enforcement and funding, will at least grease the wheels so that we can start going down that path. I would think that over the next two weeks really those things in terms of enforcement, timelines and resources are the kinds of things that will, once people identify them all, be part of the act. It comes up very obviously in almost every discussion paper.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

Mr Boshcoff: Thank you. Please enjoy your stay in our community. I hope it is very productive.

The Chair: Too bad this will be a short stay, though.

Mrs McLeod: You never know. The storm is coming. You may be able to enjoy the city longer than you thought.

TRACY HURLBERT

The Chair: Our next presentation is from Tracy Hurlbert. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 15 minutes for your presentation this afternoon.

Ms Tracy Hurlbert: Thank you. I am Tracy Lynn Hurlbert. I'm an ODSP recipient. For those who don't know what ODSP stands for—I don't think there's anybody in the room who doesn't—it is the Ontario disability support program. I'm also a home care recipient. What's really been affecting me lately is that I've been cut down from five hours a week to one hour a week. This also means that I've been cut back from three baths a week to one bath a week. I'm incontinent. I have colitis, so I have accidents. Plus, being a young woman, I still have periods. One bath weekly will cause me health problems as well as a bit of a social problem.

The other thing is that my grandparents are also home care recipients. They're currently allotted three hours weekly. I'm worried that they too will be cut back. My grandmother has had two strokes and, as a result, has great difficulty performing daily living tasks. She also is a very heavy woman. My 85-year-old grandfather is her primary caregiver, but he is getting frail and forgetful himself. All members of my family, except myself, work. In my grandfather's mind, asking us for help, or accepting it from us, would make them a burden on us. That's not so, but that's what he thinks. My grandparents would be more willing to accept home care rather than care from our family. They need this. My grandfather has heart problems and has had a mini-stroke himself. I'm afraid that if their home care is cut back, my grandfather will take on too much and put himself at risk.

They don't want to move into a seniors home and they shouldn't have to if they don't want to. It is cruel to make people move and to do things like that. That's just not right. I think that the ODA should help us with allowing people to stay in their home and giving a decent amount of home care. We should have the right to live in our own homes just like everybody else.

My problem is also with limited medications coverage. My antihistamines aren't covered. That's \$20 to \$30 a month. That's not a big deal. But if I don't take them, I need my puffers, which cause mouth ulcers, which cause my colitis to act up. Then I need three or four medications for that. One of these causes fibromyalgia and arthritis to act up. I then need more medications. All these medications that are covered come to over \$200 to \$300.

Why should I have to suffer and be overmedicated? The cost is a big factor. Why should the government spend \$300 on me if they could get away with spending \$20 in the first place? If this extra money was spent on prevention, like antihistamines, a lot of money would be saved.

Speaking of money, the cost of special equipment is astounding. On top of that, the manufacturers need to be made responsible for the quality of their products. My wheelchair was \$24,000, OK? It broke the first week I had it. That's right, one week. Someone bumped into me and part of my foot pedal busted right off; it shattered. When I phoned the manufacturer, they said, "Of course, you can't take that out in the cold." It's white metal. That's ridiculous. I live in the north. If they sell something in the north, it should be made for the north and the manufacturer should be responsible for that. They're the ones selling it. This chair will be two years old in February and it has been in the shop 23 times for repairs. It has been in the shop almost more than I've had it.

Service and sales stores must also be made more responsible for their work. One store sold me used batteries as new. They broke parts of my chair on purpose, right with me there, and tried to convince me that they were broken before and replaced perfectly good parts with inferior ones. When I complained, I was given excuses. When I called ADP, they said that's between myself and the vendor. Hey, ADP pays for these devices; the taxpayers pay for it. They should be able to ensure that they get what they pay for. This is a lot of money. If the money was spent on actually preventing this kind of stuff from happening, we'd have more money for home care. That's a lot of cash. More and more repairs aren't covered also. My battery charger needs to be replaced. It is \$800 and not covered as it is not part of my chair. What good is a power wheelchair without power? Where am I supposed to get this \$800 from?

As with most people on ODSF, I haven't received a raise since 1987. Can anybody else here live on what they made in 1987? Oh, I've got a small raise now. Years of not having enough money to buy healthy food have helped me become a diabetic. Wouldn't it be cheaper to just prevent diabetes in the first place by giving people enough money to buy good food rather than have to try to keep us healthy once we develop diet-related illnesses?

Another problem I have is the medical clinics. When I go there for my illnesses, not all clinics and hospitals are wheelchair-accessible or have equipment that is accessible or usable by persons with disabilities. I shouldn't have to go to the hospital for a simple Pap smear but I do, because none of the doctors' offices in town have an exam table that I can get on to. I'm sure that's a problem for a lot of other people. Seniors, women who are pregnant, they need these things as well. It's not just me.

1220

Communication: when you're at the doctor's office, a lot of doctors don't take time to communicate with you if you have a communication disability, like my honorary sister does. She uses a special computer to talk. She's got cerebral palsy and it takes her forever to type anything.

So if something's not noticeable, her doctor just doesn't treat her for it, because he doesn't have time to listen to her. If I can't take time off from what I'm doing to go with her, he won't even bother. Unless it's something that's noticeable, she doesn't get treated. So something else that could have been prevented may happen to her.

I'd like to see that when hospitals, medical clinics etc are built, they have to be wheelchair-accessible. All buildings should be wheelchair-accessible, regardless of their size. That's not the way it is now, though. A new doughnut shop opened in my neighbourhood, but there's no power door there. It's just a stupid doughnut shop, I know, but maybe I'd like to go and get a doughnut and a coffee but I can't get in there.

When I complained to the Human Rights Commission, I was told that buildings under a certain size don't have to have power doors. Why is this so? I should have the same rights as other people. I think a strong ODA would help me to have those rights, if we include those things in there. I should be able to go out and do things on my own. I shouldn't have to call my mom and dad to help me.

The final thing—also speaking of calling people—my honorary sister needs an attendant on the bus. But on the city buses, she has to pay two fares if she brings an attendant with her, despite the fact that all the bus drivers want her to have someone with her because she can't hang on and she can't ring the bell when she wants to get off. Why should she have to pay twice when everybody else only pays once? I think we should have some legislation that would force organizations to allow people who actually need an attendant with them to have that attendant and not force them to pay two fares. Thank you.

The Chair: We have two minutes per caucus. I'll start with the government side.

Mr O'Toole: Thank you very much, Tracy, for being here and for a very clear presentation of things you have to live with on a regular basis, some of which are directly under the prevalence of this debate on this bill.

There has certainly been lots of debate, as I'm sure Ms McLeod will say, on the home care and home supports programs. I can't respond any more than to say that there have been increased supports, I believe, certainly in my area, which is not in Toronto; it's kind of a rural area. Are they enough? No. Will it ever be enough? No.

In fact, it is a problem for all governments. I'm not trying to make it political, I just think it's a national issue as well. It does me no good to play politics, but I believe the federal government has a role in putting more money in, because the population is aging, more diseases and ailments are being diagnosed earlier, treatment is more readily known and should be delivered, and drugs and other things are very expensive and growing more expensive, and not because of anything you've said or done. Governments at all levels have to make sure that they're working—not just on the equipment side, as you mentioned—to make sure there are standards in those areas that aren't particularly attached to this.

I think if I were to relate this to this bill, the ODA would be able to put a framework and a voice to the issues you've raised, and they could become part of the mainstream debate on people and access issues and attitude issues. If the bill does nothing more than that, I think it is definitely a step forward. I see it as a person trying to represent roughly the same number of constituents as Ms McLeod or Michael. I would just like you to respond: do you think this bill will help not just your voice today but the people with access and disability issues across Ontario?

Ms Hurlbert: As long as it's a very clear bill and certain things are stated very clearly, such as the fact that we have a right to live in our own homes and have home care and stuff like that. It can't be a very vague bill. It's got to be very clear, so that people don't have grey areas where they can say, "We can get around this and get around that." It's got to be clear and it's got to actually be enforced. That's the other thing. Having a bill that's there, if it's not going to be enforced, then it's no good.

The Chair: We'll turn to the official opposition.

Mr Gravelle: Tracy, it's great to see you. We had a public forum recently related to the Ontario disability support program and Tracy was an active participant in that. It was interesting at the time when you brought forward the issues related to the fact that the wheelchair you have is not really built for the conditions of the north and that the frequency with which it breaks down is extraordinary. Tell us a little bit more about that. I just think there needs to be full support for you to be able to have access to this, which is really such a significant part of your life, obviously. I know how frustrating it's been for you over the years. There are so many other issues you and I can get into which we've discussed, but I think it's important for members to hear more about that.

Ms Hurlbert: There have been days when I have had to stay in bed because my chair is just not working. Those days when I'm in bed may be days I have physiotherapy, they may be days that I have volunteer jobs, things that make my quality of life better and also the quality of life for other people in this community. If I'm in bed I can't do any of that stuff, but if I sit up in my chair all day I just can't breathe. If this chair breaks down too many more times, it's not going to be covered any more. Some of the repairs, I'm being told now, won't be covered any more because they have been done to the maximum. I think this is the fourth set of foot pedals I've had. They just keep breaking. And the wheelchair shops know about this. My mom has talked to another lady who has had five wheelchairs in the last 15 or 20 years and she has had a problem with every single one of them. I don't know anybody in a power chair who hasn't had a problem. I met one lady today who said she hasn't had very many, but it's across the board, it's not just me. My friend, my honorary sister, who is 105 pounds soaking wet with a weight around her neck, also has problems with her chair. So it's not my weight, it's the chairs. This lady has to spend a lot of time in bed too when her chair doesn't work.

Mr Martin: Thank you for coming today and talking with us. Certainly, in a very personal way, you've touched on a lot of the things we've heard over the last week: attitudinal challenges, the ODA covering the private sector, the coffee shop, the lack of resources.

It seems to me that the problem with this bill is underpinned by this question of resources. If the government had the resources and was willing to spend them, we wouldn't be worried about timelines and enforcement. I think it would be a question of just making sure that people hit those targets. The government has indicated it has chosen its priorities, and one of their priorities is to give tax breaks to corporations and other individuals in the province. Because of that, we don't have the money in the public kitty to spend on these other things you speak of as necessary if you're going to have a good quality of life and be able to participate in the way that you have the potential to participate.

I would be interested in any comment you might make in terms of priorities. What should the priority of government be? Should it be tax breaks for corporations or should it be taking publicly collected taxes and spending them on services such as the ones we're so directly talking about here today?

Ms Hurlbert: I think if you spent the money on the services, but on the ones that are preventive. First of all, I take \$200 to \$300 worth of medications instead of spending \$20 in antihistamines, and all the costs of the wheelchair repairs that I've had. If you would make the companies responsible for making sure they actually work, you would be spending a lot less on repairs, on wheelchairs, on things that could have been prevented. Then you could take that money and help cut back the taxes on the big businesses. So it could be both.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

1230

CANADIAN HEARING SOCIETY, THUNDER BAY REGIONAL OFFICE

The Chair: Our next presentation is from the Canadian Hearing Society, Thunder Bay regional office. I would ask the presenter or presenters to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Ms Karen Higginson: My name is Karen Higginson and I work at the Canadian Hearing Society. I am also an advocate for the deaf community and I am myself deaf. First, I would just like to express my appreciation for being invited to present to the committee today, and I will take less than 20 minutes.

To begin with, I'm sure you are already familiar with this document that I have before me from the Canadian Hearing Society. It goes into a little bit of detail about discussions that deaf, hard of hearing and deafened individuals have experienced. Have people had the opportunity to see this? OK.

I'm going to talk about some of the concerns that we as a deaf community have in regard to the ODA. The hard of hearing, deafened and deaf community in Thunder Bay is not in support of Bill 125 the way it is laid out right now, the reason being that there have already been three laws established: the Human Rights Code, the Supreme Court of Canada ruling of 1997 and also the federal rights and freedoms. None of these three bills has been successful for the deaf community. We have experienced many barriers since, and during, the times of these other laws.

People who work within the government, the medical professions in the hospitals, and the court systems, do not make services accessible. When deaf people go to see their family doctor, for example, it is said that interpreters will not be provided. In fact, the attitude is, "If you want an interpreter, bring one yourself." This is very frustrating for deaf people. It is not our responsibility to always provide our own interpreter. The law is clear that we should have accessibility in all services but it is not actually taking place.

We have to bring our own interpreter, which is very difficult, and it's very difficult to convince people. If a person were to bring their own ramp to a building, that would be ludicrous. It's just as ludicrous for deaf people to be expected to pay for their own interpreter.

As well, when deaf people go in to use hospital services and we ask for interpreter support, we are often told that we have to bring our own interpreter or arrange it ourselves. Sometimes they request or expect us to use our own children to interpret for us, which is very inappropriate. Sometimes they will bring in people who know a little bit of finger spelling or a little bit of sign language to interpret for us, and that's inadequate for the deaf community's need. We need professional, certified interpreters.

A professional interpreter means that they will have qualifications and they will have been tested and certified in both languages: ASL and English. Professional interpreters are also trained in deaf culture and are aware of the differences between deaf and hearing cultures.

The Ontario disability support program has been very frustrating for deaf people to access. Oftentimes the worker will say that we can write notes instead of getting an interpreter, which is very limiting for deaf people since English is not our first language. When we go in to sign papers for the ODSP, those are legal proceedings, those are legal documents, and if we sign them, we may be signing something we don't understand because we haven't accessed it in our first language.

We have these particular frustrations and struggles on a daily basis because of people's attitudes, thinking that we are the bad guy, and we've had enough of it. That is why we as a community would like Bill 125 to become stronger in its language: if people are not following the guidelines and the requirements set up in the ODA, that there be stronger consequences. That's all I have to say today.

The Chair: We have approximately three minutes per caucus for questions and I'll start with the official opposition.

Mrs McLeod: I'll lead off for us. Karen, thank you very much for your presentation. You have made the point so clearly about the importance of interpretation and the barrier that represents if it's not available. I guess I would like to use the opportunity of your presentation to make a plea to the people who are around the table who will be hearing, I'm sure, a similar emphasis on the importance of interpretation as you go around the province. But I think, because you'll be sensitized to this, it's important that you know the frustration of people here in northwestern Ontario and in Thunder Bay. We have only one interpreter, if you can imagine the limitations on those who are deaf and hard of hearing and deafened in our community when they're told, as Karen says, that they have to bring their own interpreter, but in fact there's only one person. The limitations on access for people in this community are almost unimaginable. In fact, you'll know that this committee almost couldn't come to Thunder Bay because we didn't have an interpreter available. Our only interpreter was busy. She's been coming in and out, doing other things.

So I would ask, if we're serious about removing barriers, that you help us take this message back that we have to move some kind of mountain. We've written letters. The deaf community has written. Somehow we have to move mountains to try to address this really serious barrier in our community.

The Chair: Ms Higginson, did you want to comment?

Ms Higginson: Just to say that what we are requesting and requiring is qualified interpreters. We need interpreters who have the qualifications in ASL and in English, including an understanding of deaf culture. The Ontario Interpreter Services require their interpreters to be tested every two years to make sure they're current. That's the type of interpreter we're asking for.

Mr Gravelle: Karen, thank you very much, and thank you also for attending the public meeting we held a couple of weeks ago related to the Ontario disability support program. It was very good to hear you.

In terms of the legislation itself, what do you think specifically needs to be in there? Does there need to be some specific reference to the need for interpreters and the funding for them in the legislation that's before us today? What else would you specifically ask for?

Ms Higginson: In Bill 125?

Mr Gravelle: Yes.

Ms Higginson: To be honest with you, I have not been able to access the bill efficiently because of English being my second language. I recognize this morning that you mentioned that it was available in Braille format and large print, but it is not yet available in ASL format. So we as a deaf community have really been struggling to understand it in its full meaning.

Mr Gravelle: That's very unfortunate.

Ms Higginson: As far as I'm concerned, it is null and void to me.

Mr Gravelle: That's very sad.

Mr Martin: I just again want to thank you for personalizing some of the issues we've seen presented over the last few days as we've travelled the province. I know in my own community we have the same problem. We have one interpreter for 80,000 people. If you consider the region—there are 125,000, and they all come to the Soo for services—there is no interpretation.

I know of deaf people who have ended up in jail because something happened downtown and somebody misinterpreted what the situation was. The police were called. The deaf person got really frustrated and became a bit aggressive and got thrown in jail and had to wait in jail for days until they could fly an interpreter in to actually hear from the person what they were trying to say and do and sort the circumstance out. Those are the kinds of things that happen on a fairly regular basis for that community of people.

1240

Can you imagine, as Karen has said, that you're in the hospital and you're asked to bring your own interpreter in? So the doctor comes in to tell you that you have a brain tumour or cancer and your child has to be used to pass that message on. That's the kind of thing that I hear in my office as a difficulty.

Again I go back to the issue of, if we're going to provide the kinds of services the deaf community needs, it's going to cost money; there's no doubt about it. It's expensive. But it's a question, as I said yesterday at the hearing, of how many of people's human rights can you afford not to offer, and this community in particular.

The government has chosen, obviously, priorities. They're giving tax breaks to corporations. We're spending public money to the tune of some \$2 billion to \$3 billion that we then don't have to spend on the kinds of services you need. Is that fair, in your mind?

Ms Higginson: No.

Mr Joseph Spina (Brampton Centre): Thank you, Ms Higginson. It was important for you to be here today to be able to present your personal perspective and the need for more signers and, really, assistance to people of the deaf community.

I want to draw to your attention, and also to the other members' who haven't been with us on the committee, with due respect, that in the spring budget the finance minister has committed \$55 million this year, which is \$20 million more than the normal amount, for these services. It's intended to grow to nearly \$200 million by 2006-07. It was specifically designed to enhance services for people with developmental disabilities and attract more quality caregivers. So it was important that you gave your input here today. We want to ensure that down the road, after this bill is implemented, the lobbying is important so that some of those dollars can be allocated in the way that you have described.

Ms Higginson: I hope this is not off topic, but if services are provided to the general public, we're happy about that. But when we try to access those services, we feel, when we're not provided with access, that we're like

a second-class citizen and that we're living below the standard of living of everybody else. So what we're asking for is just to be on par with the hearing community. We have felt very neglected to date.

Mr O'Toole: I would just like to thank you, Karen, for being here today and giving voice to your concerns. I should, for the record, mention that you would have been very proud yesterday of the deaf and deafened community. Three young students from the Milton Deaf Action Group made a very excellent presentation. Their names were Vance Youngs, Tanya Sturk and Jessamyn Roach. They were very animated, and not angry, but frustrated. I think they made many of the same demands of increasing the number and quality of signing interpreters. So you've certainly got this forum to get your message out, and I appreciate that.

Ms Higginson: Thank you.

Ms Nancy Frost: Hi. I'm Nancy Frost. I'm regional director of the Canadian Hearing Society. Although Karen, because of personal reasons, is really focusing on the lack of sign language interpreters, the lack of access for the deaf community, we also must not lose sight that there are issues of lack of access for the hard of hearing and deafened; for example, real-time captionists, note-takers. The entry levels into a lot of provincial and municipal services are through voice messages which are not acceptable to deaf, deafened and the hard of hearing. So I appreciate Karen's focus on the lack of sign language interpreters, but we must also not forget that there are many other access issues that are not being made available.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

DISABLED WORKERS' COMPLEX CASE NETWORK

The Chair: Our next presentation is from the Disabled Workers' Complex Case Network. I would ask the presenter to please come forward, and if you could state your name for the record. On behalf of the committee, welcome.

Mr Darrell Sanderson: My name is Darrell Sanderson. I would like to take this opportunity to thank the standing committee on finance and economic policy for this opportunity to speak here today on this proposed legislation, Bill 125, the Ontarians with Disabilities Act.

I am a disabled consumer with a wide range of experience and interests relating to our disabled communities. My disability is as a result of a workplace accident in October 1977. I was 21 years of age at the time. Since that time, I have acquired a vast amount of experience, history and knowledge relating to disability issues and their impact on persons with a disability.

My volunteer background and work experience in the disabled community are extensive. I have served as a volunteer in executive capacity on the board of the Handicapped Action Group, Wilderness Discovery, HAGI Transit, a parallel transit service for persons with disabili-

ities, and also Persons United for Self-Help in North-western Ontario. Both the HAGI and PUSH Northwest are consumer-controlled organizations. Their boards comprise at least 51% disabled consumers who have a direct say in the day-to-day operations of the organization.

I have also served as business manager for the local Ontario March of Dimes as well as for the aforementioned HAGI Transit. Presently, I am the president of the Disabled Workers' Complex Case Network, or DWCCN for short. Our organization is a consumer-driven organization providing peer support, information services and assistance to severely disabled workers who have suffered a serious workplace accident.

The complexity of modern society and the severely disabled workers who are dependent on workers' compensation require an increased level of education in order that severely disabled workers are able to cope and manage in today's society. The battle with acceptance and adjustment to disabling conditions can be viewed as less devastating than having to deal with getting through the bureaucratic systems in order to live as independently as possible. This concept can be extrapolated to all disabled people who experience much of the same complexity and bureaucracy in meeting their everyday needs for equal access and effect for such things as education, housing, transportation, employment and recreation.

There is a great amount of controversy about Bill 125. Some simply say that the proposed legislation is inadequate. Others say that the legislation may impair or supersede other legislation such as the Ontario Human Rights Commission. Others say there are no teeth to the bill. They say it is voluntary and that there are no enforcement mechanisms or provisions. The legislation only talks about the public sector and really does not involve the private sector. As it stands, one only has to show intent to meet the code, as outlined in the legislation. Intent to provide access does not constitute attempt and obligation under the legislation. As an example, the building codes lack uniform standards, best practices and enforcement mechanisms. Where you have no standards, how do you remediate the problems that arise?

PUSH Northwest and DWCCN were involved in a previous provincial review of building code recommendations. The government of the day introduced changes in legislation that is today less effective than it was before the review. The municipality of Thunder Bay at one time had better standards and building codes than the provincial legislation itself contained. The revisions to the building code were a step backward for our community, with most adopting undesirable legislation which the government introduced. If the government does not put proper provisions into the Bill 125 legislation, then persons with disabilities will look for other alternatives, such as filing complaints with other bodies such as the Ontario Human Rights Commission. That is not a preferred option as the Ontario Human Rights Commission process can literally take years. Moreover, what of sys-

temic issues? How will the proposed legislation deal with them?

1250

DWCCN has followed closely the activities of the ODA Committee. DWCCN supports the ODA's submission of the 11 principles outlined by the committee and accepts their submission of the blueprint and amendments for the ODA legislation. It is of concern that this government does not. The government is quick to cite that their legislation and initiatives have the support of many well-known disabled organizations. However, we point out that it is erroneous to draw on such a conclusion in that many of those organizations are service providers and have vested interests in the form of government funding and agency obligations. Some examples of organizations that are not consumer controlled are the Ontario March of Dimes, Easter Seals, Canadian National Institute for the Blind, Canadian Paraplegic Association. These organizations do good work and contribute positively to the quality of life for disabled people, but they have a conflict in making representation to this government, which funds them. In addition, these organizations representing the disabled have become out of touch with the disabled issues of those at the grassroots. It is important that this government take the time and energy to consult all constituents on Bill 125 in a qualitative and quantitative manner.

Disabled individuals in our community are asking why Bill 125 is being rushed through the process, especially given that many view this legislation in its present form as undesirable. The present bill is voluntary, not mandatory, it has no enforcement mechanisms or provisions and only talks about the public sector versus the private. Why do you want to put through something that is not good? Furthermore, there are no provisions in the legislation that will deal with the systemic issues. People are misinformed if they think the Ontario Human Rights Commission deals with systemic issues. If that agency did, then people would not have to file individual human rights complaints repeatedly on the same issues. How will Bill 125 deal with these systemic issues?

If you're following the paper, it's not in here but I have added this, given some of the presentations that have been made. It was probably a miscue on my part in not including it. This particular legislation is about rights legislation and it should ensure for people with disabilities that it is portable. It should be mandated so that people with disabilities, no matter where they go, what community they come from, whether it's 5,000, 10,000 or 100,000, should be able to travel to those communities and expect some uniform standards.

Why is this present government so set on ramming this legislation through the House? What is the rush? Is Cam Jackson being forced to keep Mike Harris's promise to bring the legislation in this year? It would be better to renege on Mr Harris's promise than to bring the legislation in at this time. The Conservative government has had approximately six years of government to act in an enlightened and proactive way. Instead, we have lack of

funding in programs designed to assist people with a disability. People cannot get service because of a lack of funding and co-opting of payments under the assistive devices program. People are going to charity for assistance in funding mobility equipment. There is a lack of income supports, transportation, sidewalks and curb cuts. Grocery stores set up pop and vending machines in access routes or fill their aisles with stock. The more severely disabled suffer more because of their needs and the higher costs associated with their disabilities. The list goes on. The government should have been leading the way. Instead, we are receiving rhetoric that is meaningless and consultation that is less than ideal.

As an example, the government recently proposed \$5,000 fines for abusing handicapped parking spots. The disabled community does not value expensive fines for disabled parking infractions. More value would be obtained if the existing and any future laws were policed or enforced.

Disabled individuals at the grassroots level have a lot of life experience and knowledge to impart. This knowledge is not always captured by the disabled organizations that represent the disabled. It is our belief that the government's consultations should be more extensive and not on short notice as presently is the case. The government should make use of that knowledge by accepting the proposed amendments that are coming forward and defer the introduction of the legislation until it can more thoroughly consult in a manner and matter that is meaningful to all.

The Chair: We have two minutes per caucus.

Mr Martin: Thank you very much for coming today. One of the points you highlight in your presentation, all of your points actually, indicates that you're paying attention to this whole process. You're obviously either watching or listening to the hearings and what's going on at Queen's Park, because what you're presenting here today is certainly relevant and on the mark.

The question of more extensive public hearings: I guess it's in northern Ontario that you notice it probably more than anywhere else. For example, today I would guess that all the people coming to present are from Thunder Bay. What about Fort Frances, Kenora, Marathon, Manitouwadge, and on and on, those communities? Mind you, most of them are under 10,000, so they won't be affected by this legislation anyway. The question then is, what do those people do in terms of access and their human rights?

I think you make an excellent point. It's unfortunate, actually, that the government isn't willing to take the time, if they're really and sincerely interested in finding a bill that will do the trick, to hear from as many people as possible in as many circumstances as possible. Do you have any idea why they might not be willing to do that or aren't willing to do that?

Mr Sanderson: I'm not really sure why that is. I would suggest the short notice for people to respond is not helpful at all. If you look at one of the communities farthest from us, Kenora, it's a considerable distance to

travel. Relative to people who have presented here today, Tracy herself had to book ahead to get a ride on the parallel transit system. Those are some of the difficulties people with disabilities have: just getting out in the community.

Like I say, the way we're starting to view this is that it's being rammed through, that it's not a direct consultation. My own personal opinion is that this government believes they are doing the right thing. However I'm trying to say I don't think you are if you're putting all your eggs in the basket of looking at the disabled organizations that have been around. There are people out there who do not have the opportunity to participate and you have to do it in a proper, well-time-framed manner in order to collect those particular inputs from those individuals.

Mr O'Toole: Thank you very much, Darrell. Clearly you've been a very hard-working advocate, since 1977 you said in your report. I see in the background here you've been involved with the WSIB in an advisory committee capacity as well. Has anything happened since 1977, or what could be, as I see, the position paper from the north in 1993 that was presented to the government of the day? I have a copy of that with me.

I'm not trying to be harsh. This is quite critical of the government, "ramming it through." When I was on council, this very issue was discussed in the early 90s in excruciating detail and there was absolutely no response by the government of the day. This, to me, is a very complex rights issue, as you said, and as such—now, I'm not lecturing you, I just want to balance the discussion of "we've done nothing," to make the point that rights legislation, you said, should be portable and as such should be national, but airline, train and other regulatory agencies are federal in nature. There is no federal or national standard. This is the first province that's done anything in a legislative framework. I'm convinced this framework allows you at this table and the ODA table to make statements on the record and require governments to respond.

To this date, not one government, including the others, have done anything. I have not been as involved as you by any stretch, but I have listened to it for over a decade, personally, at a legislative framework, at council and as a school councillor. I can say without exception—I was the chair of a special ed advisory committee from 1982 to 1987. In that time special education got zero attention. This government required integration as opposed to segregation and specifically funded special ed.

1300

What I'm saying is, without being argumentative with you, I must put on the record that this is, in my view, a first step. The consultation has been going on with you since 1977. I believe this is a piece of legislation that's badly needed. I would ask you a question: if I put to you that the next option is to do nothing, would you prefer to defeat this bill and have nothing or—it's a not a fair question perhaps. I hope I haven't been too animated. But do you understand? It's fine to be beat up in public, but my record is—

The Chair: Question, please.

Mr O'Toole: Is it this or nothing?

Mr Sanderson: I think I know what the question is and truthfully nothing is not acceptable to anybody. The point is, do not ram the legislation through without laying out the plans to the disabled community as to where it's going to go. It's like we're being asked to sign a contract without knowing the details. Credit to the government for taking some initiative. I sure hope they'll deal with each and every iota that is being brought forth as it relates to people with disabilities.

I'm going to give you a little tale aside. I talked about the building code here. This is very quick: it's a washroom. Not to get hung up on just mobility barriers, but we had a bowling alley here that reddid and put in a unisex washroom. It was accessible. About a year and a half after that, they turned around and did a major renovation. The stall is quite accessible. It's great and wonderful. But let me tell you, I challenge any one of you who happened to sit on that toilet and then make a reach for the toilet paper. I guarantee you will be standing. The person in the wheelchair, the paraplegic or somebody like myself would not be able to reach a darn piece of toilet paper. What is wrong with that picture? It goes back to intent, and for intent, there has to be teeth to this legislation.

Mr Gravelle: Darrell, I think the point that needs to be made, and you've made it, is that there's absolutely no reason for the government to rush this legislation through, except that they want to. They want to get it out of the way before Christmas. The truth is, and no matter what Mr O'Toole says about all the years and everything else, you bring forward legislation and you give the public a real opportunity, which we could have done over the wintertime.

I guess I'd like you to respond to this. I think the proof of the government's commitment will be whether or not they accept meaningful amendments, which are going to take place next week, again part of the rushed process. I guess we can say that if indeed they're willing to accept significant amendments that make this a piece of legislation that you would find acceptable, then we would say, "OK, thank you very much," but I'm not full of hope that that's going to happen.

The truth is there's no reason to rush this through, after six and a half years to finally put something forward and then say, "We're going to make you get through this in three weeks so we can get it off our plate." I don't mean to be harsh or rude, but I think that's something that can be said. I take it you agree?

Mr Sanderson: I certainly do. The reintroduction shouldn't be a problem. Personally, I would welcome it.

Mr Gravelle: There's legislation that will be carried over regardless of being prorogued anyway, so even that isn't a good reason to say it has to be rushed through. It would have been great to get to so many more communities, and quite frankly if people from the outlying regions were invited here today, they might not have been able to get in anyway because of the weather. You need to go to the communities. We need to get to more

communities, and that's the least that I think we should be doing.

Mr Sanderson: When Tracy presented, people really need to look at the story she presented, because that's the story for many people, including seniors. I see doctors lifting senior people up on to the tables. It's true. You can't get health care, you can't get transportation, and so on and so forth. Where are we going to go with this?

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

THUNDER BAY AND DISTRICT INJURED WORKERS' SUPPORT GROUP

The Chair: Our next presentation is from the Thunder Bay and District Injured Workers' Support Group. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome.

Mr Francis Bell: My name is Francis Bell. I am the executive director of the Thunder Bay and District Injured Workers' Support Group. Like many of the presenters before you this morning, I'm one of the disabled people in this community. I'm also probably one of the loudest ones speaking a lot of times. Some of you have seen me before and know that I have been known to give you my opinion in a quite direct manner. Today I intend to do the same thing: give you a direct opinion and offer you some alternatives to make this bill better.

We are here not to lambaste the government but to provide constructive criticism. I can tell you we started working on this thing just the other day. It was serious enough for our committee that we finished this brief this morning at 6:30. We worked through the night to make sure we had a brief we were proud to present to you. This is important to us. It's important to injured workers. It's important to people in the disability community.

Part of this brief you're going to see in other briefs, and that's the portion of it from the ODA Committee. We support those portions and we've laid them out for you. We hope you would do some very basic things, and that is, if you haven't had an opportunity to go, we've provided you with the Web page. As I understand it, all MPPs have access to the Web. You can go directly there and actually see the documents.

Remember, that's a pretty broad-ranging committee that has been working for years. We have been involved with it in Thunder Bay. Our sister organization, an umbrella organization, the Ontario Network of Injured Workers' Groups, has been involved and support the proposals from the ODA Committee. As the secretary-treasurer I can say that quite emphatically, as I have spoken this morning with the president of the network after he has had a chance to look at this brief, which is endorsed by the Ontario network.

This bill needs to address the issue of systemic problems. This bill is a beginning. It is not good enough to pass at this stage, folks. There are some things you need to look at.

What I want to say to you is that there has been talk about using the Human Rights Commission. There has been talk about enforcement mechanisms. The Human Rights Commission is not an appropriate enforcement mechanism. It will not do the job. A unilateral, independent enforcement mechanism must be set up to run parallel with the ODA. This government, the opposition parties, everybody must work in educating people about disability issues. Too often, as injured workers, we've seen that it does not work.

You may ask, who is the Thunder Bay and District Injured Workers' Support Group? We represent injured workers over a quarter million square miles. Just to give you an example, right now, recuperating at my personal home is a friend of mine from Marathon who came in for treatment, but the hospital discharged him after two hours of having cortisone shots. Those epidurals were given this morning at 6:30. He arrived by taxi at my house at 8:30 this morning. This person is going to ride a bus back to Marathon because he can't get service. If it wasn't for our providing him with a place, his alternative was to hop back on the bus and go back this morning—not something I would think would be a wise move to make, as somebody who has been down that road before, but it's what's out there.

As I've already said, we're here to provide constructive criticism. We want to help you get the legislation right. We want to give you advice on how to take the potential weaknesses in Bill 125 and make them strengths. We ask that you understand that many of the presenters who will be before this committee know the problems because they have personally encountered them. They are the experts. The experts are not those who draft the legislation, but we are. We can tell you what will work and what will not work.

1310

This bill is about concepts. The question for you is, what are the concepts that this bill should espouse versus what are the concepts that this bill espouses to the disability community, the citizens of Ontario? We've laid out for you in the brief the 11 principles. We would ask that you use them and use them wisely.

In fact, we have developed a report card for you. If you go to page 12 of the brief, the report card runs in a landscape mode. It's important you look at this report card. We would ask that as you're going through your deliberations, especially at the committee level where you're going to hopefully make some amendments, you look at the report card and say, "Is this going to fail? Does it need remedial help? Does it need improvement? Is it satisfactory, or is it excellent?" We've given you comments on each of the principles. We did that so it would give you some creative thought processes on what we're talking about.

It's important that each of the amendments be looked at very carefully, very concisely. This morning you've heard from some local people who have told you about the problems they've encountered due to disabilities. This government and this committee can roll up their

sleeves. They can work constructively together with the opposition and make the necessary amendments to improve this bill. The first step: it must sell those changes to its fellow legislators and to the minister. If this is done in a positive manner, it will ensure that the bill, as amended, will meet the needs of the Ontario disability community. It must be positive. We don't need the sniping. We've all seen it. We don't want to see it. We want you all to work constructively together.

The amendments cover a wide range of sections in the bill. The amendments proposed cover issues such as language, barrier-free, accountability, inclusiveness, enforcement, limited enforcement, reviews etc.

The government has a unique opportunity to have a second chance to develop, review, amend and proclaim an Ontarians with Disabilities Act that is really worthwhile. The Thunder Bay and District Injured Workers' Support Group asks that this opportunity not be squandered. We ask that you take a bold stance. Stick to the principles of the ODA and show leadership. In the end, we can only offer guidance. This committee can propose amendments that the Legislature will vote up or down. You can do the right thing. You can bring disabled Ontarians in from the outside. You can improve all communities in Ontario. Now the question is, are you going to do it? We've offered constructive criticism and we implore you to act now.

In appendix A, you will see the 11 principles. We've actually headlined them to make it a little bit easier for you. Those are the 11 principles. What we would propose is that in your committee room you put each one of these principles up on the wall, and as you go down through each section, you see if the amendments you're going to make will meet one of those 11 principles. It's like that reporting card. It's a way to remind you of what is needed. You can do it. You can show the initiative. We believe it is imperative that it be done.

I want to talk about just one more item and that deals with the issue of municipalities. The individual I spoke about from this morning comes from a small municipality. That small municipality would not have to meet any of the ODA requirements as suggested now because it is under 10,000. You need to fix that. You need to make this an inclusive piece of legislation. It needs to cover every community in Ontario. The time frames may be different, but if you do not do that, it will be a weasel way out of making the necessary changes.

I'm not going to go through each of the amendments, because I'm sure you've already heard them.

Again, on behalf of our group, I want to thank you for the opportunity to present to you today. I want to implore you to work co-operatively together to propose the amendments you have seen in front of you and pass them. If there is a problem and you need further consultation because you're not sure about the amendments, take the time. Don't put through something that is inappropriate, that will not meet our needs. We've waited long enough. You've waited long enough. Do the right thing.

The Chair: We have approximately three minutes per caucus.

Mr Hardeman: Thank you very much for your presentation. There are a couple of items that I just wanted to go to.

In principle 2—obviously, I've seen the principle many times before, but this is the first time I realize—it runs into a problem or a concern that's been expressed by a number of people, particularly the legal people who have spoken to the committee, about the ability of the ODA to supersede other legislation. There's some concern that—in fact, some people presented and said that in their opinion some of the benefits that the disabled have in the Human Rights Code would actually be reduced by this act. That, I can assure you, was not the intent and is not the intent. If that is what it would do, I'd want to make sure that we did put amendments in place to prevent that from happening. Yet in principle 2 we're suggesting that the act should supersede all other legislation. Is that dealing with the same problem? Is that why the community, particularly the legal community, feels that we are superseding it, in your opinion? Could you give me your opinion on that?

Mr Bell: A very quick response is that if you make the act better than the other legislation, of course it should supersede it. If you make it worse, then obviously we don't want it to supersede it. It's a matter of where you're going to put the floor. Remember, legislation is about floor levels. It's about the beginning, the basis. You can make this act better than the Ontario human rights act. If there's a provision that's better somewhere else, what we want is that provision to be enforced, obviously. What we don't want is a piece of legislation that allows people to lower the standards. We want the standards brought up. That's what we're talking about.

Mr Hardeman: We'll make sure we check this out more with the legal profession, but in my opinion the act is quite clear that this in no way infringes on any of the standards set in the Human Rights Code. So it's covered, but I just wanted to make sure we had that right.

The other issue I just wanted to quickly ask about is the uniformity across the province, and the fact that the advisory committees, in preparing the plans, are restricted to municipalities over 10,000. Your position is that we should take out the 10,000 floor, so we would have the same service across the province?

Mr Bell: Yes. The reason is very simple. Do you just say to somebody who's in a community of 9,000 that they don't have the same rights as somebody in a community of 20,000, or 100,000, or a million? The answer is no. We're all Ontarians. We should all be treated with the same, equal level of service. Does it mean that this government may have to find some dollars to assist smaller communities? Yes, it does, to be blunt. But we've waited long enough. It's time to move in a positive way.

The Chair: I have to go to the official opposition.

Mrs McLeod: In support of principle 2, I think it was never conceived that a bill that's specifically to provide

greater access for those with disabilities would ever be less than the Human Rights Code. Therefore, the principle I think should apply, and the bill that's intended for the disabled should be revisited.

My question is around the report card, Francis. I'm trying to relate the principles in the report to the grades that you've given out. I guess one of the things that I was struck by was the—I understand some of the failing grades. On principles 4 and 5, it says they need improvement. It seemed to me that principle 5, in particular, was about the extension. As I read it, it's the extension to the private sector which is noticeably missing from the bill.

Mr Bell: We've put that in the comments section: "Missed private sector." We need to get this broadened across the entire province. The government passes legislation that's about health and safety and doesn't say it's only for the public sector workers; it's for all workers. This is no different than that, folks. It's the same thing. It's for all workers, all sectors.

Mr Gravelle: Francis, it's a great job that you've done. It's terrific. You have appealed to us, all parties, to work together to try to create a piece of legislation that really makes a difference in its value, but I think you and I both know that there's a certain amount that will be accepted in terms of amendments, perhaps—we hope—and a certain amount that won't. Maybe it's not a fair question, but could you focus for a moment on, if there were some things that just have to be there that aren't there now, what would those be? What aspects would you want to see if you couldn't get it all?

Mr Bell: Michael, remember I said work co-operatively and you'll get it all. I have positive energy. I wore my Santa Claus tie.

Mr Gravelle: You're always positive, Francis.

Mr Bell: Yes, I know. Sometimes too positive.

I think you need to make sure there are some enforcement provisions. No matter what legislation you put forward, if it's not enforceable, it doesn't mean anything. We've had—and I want to say it this way—voluntary compliance since the day this province started talking about these issues. Anybody at any time under voluntary compliance can do something. The problem, and the reason we're here again, is because it hasn't been done. You need to enforce that and you need to make it mandatory. Voluntary has not worked.

Mr Martin: I heard your clarion call this morning to work co-operatively and I commit to you that we will do that. If this government is willing to work with us to make sure we get a bill here that responds to the 11 principles and that we think is going to work for people who have been waiting a long time—and I agree with Mr O'Toole when he says that previous governments haven't lived up to their responsibility. We didn't. We let you down. You've been waiting too long. Now is your moment. You have a chance here now to get a bill passed that will actually do the trick for you.

When we were government, we tried. We obviously didn't get it right with the Employment Equity Act. It was thrown out as soon as this government came into

power in 1995 because we didn't root it properly in the community such that it couldn't be thrown out. In this instance, I think we need to do that. We need to make sure we have an act that everybody agrees is going to work and is going to do the trick.

However, at the end of the day on Tuesday, if we discover there are no amendments, or the amendments we bring forward, which we will, are not being accepted to raise this floor to a point where it actually means something, what is your recommendation to us at that point?

Mr Bell: I'm not a politician; at least I'm accused of not being a politician. I would say that somebody should be moving a motion to table the action. I'm being very blunt with you.

Mr Martin: To table the what?

Mr Bell: Table any amendments. By tabling, I mean that you table to a further date, you sit down and start working co-operatively. And if you need to have a bunch of consumers sitting around the room to assist you in that process, I'm telling you, they will be there. We believe that you can do the job. We understand the government has the majority, so I'm sending this message very clearly to the government members that we're watching, we're interested. If the opposition gets out of hand, we'll know about it, and if the government gets out of hand, we'll know about it. We'll come back and we'll be at your doors. You may find us there day and night, but you will find us there, because we want something done this time.

It didn't work out last time. We said, "Let bygones be bygones." This is your chance to do something positive. If you're finding you're getting frustrated, take a break and then come back to it, but, folks, you've got to do something that's positive. Right now, the legislation as it now stands is not what the disability community is looking for. It does not meet our needs, but you have amendments before you that can meet our needs. I implore you to take that action and approve those amendments.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon. We'll recess until 2:40 this afternoon.

The committee recessed from 1324 to 1439.

HANDICAPPED ACTION GROUP INC

The Chair: Our first presentation this afternoon is from the Handicapped Action Group Inc. I would ask the presenters to come forward, please, and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Mr Allan Buchan: Chairman, members of the committee, we'd like to thank you very much for this opportunity to comment on the proposed Bill 125, the Ontarians with Disabilities Act. The disabled community has been waiting for legislation like this for the past six years.

A little history before we begin: our organization was formed in 1974 as a result of a disability report which was compiled in 1972 by the Lakehead Social Planning Council. At the inception of the organization, the purpose of HAGI was "to improve the living conditions of persons with physical disabilities by fostering independence, self-determination and the acceptance of responsibility among disabled consumers."

The major areas of emphasis in those early days were transportation, housing, attendant care and recreation. The generally recognized philosophy of the founders of HAGI was that "in order to assume control over one's life, an individual needs to make their own choices regarding his or her own personal lifestyle."

As early as 1975, our organization began providing services to meet the organization's early objectives. HAGI Transit began operation through a LIP grant provided by the government of Canada. In its initial year, HAGI Transit accommodated approximately 2,500 trips with only two high-roofed vans.

The housing project, which provided barrier-free apartments and 24-hour attendant care services, became a reality in the spring of 1979. The organization further developed their second building in the mid-1990s, opening up 1201 Jasper Drive. By 1982, the attendant care project began expanding into the Thunder Bay non-profit housing buildings, providing attendant care services to all their barrier-free apartments. We now provide service to four other buildings in the community.

In 1986, we started an outreach attendant care program in Kenora, and later to persons living in their own homes in Thunder Bay. Both services encouraged consumers to manage their own care. Our Kenora group has since broken away from us and formed Northwestern Independent Living Services, a sister organization to HAGI. In the early 1990s, we continued to develop community-based services and started our third outreach program along the north shore, with an office set up in Geraldton, or Greenstone, as it has now become. In the mid-1990s, we officially changed the name of our attendant care program to personal assistance service.

Formal and informal recreation has always been a part of the services HAGI has been offering. The most successful and recognized of these recreational projects was the wilderness discovery program, which originally began as overnight camping excursions and has grown into the construction of an accessible recreational camping facility on Lake Shebandowan. This facility is available to all persons with a disability on a pre-booked basis.

Our organization sees the presentation of this act as a much-needed first step, but only a first step. It begins to open doors and addresses the fact that people with disabilities need to be consulted on issues, services and programs that directly affect their ability to live independently in the community. Many of our members want to be, and are, taxpayers and feel proud of that fact. Given the power to choose whatever lifestyle they decide has helped develop our motto, Independence by Choice.

Our organization, in its 26-year history, has seen standards come and go in our community as they apply to consumers with disabilities. An example is the fact that we had one of the most forward-thinking municipal building codes in the late 1970s. That was eventually lost to the enactment of a provincial building code that failed to address the standards we had developed locally for our constituents. We need a code that will prevent this from happening again, and the first step is to incorporate a consultative process to all acts and regulations as they affect citizens with a disability.

Over the past few years we have participated in a number of consultations. We believe the one conducted by the ODA Committee resulted in a position paper that reflected the position of the province's consumers with a disability. This organization identified 11 principles that needed to be addressed in order to have an effective and reflective act for this province. According to these 11 principles, the ODA's purpose should be the achievement of a barrier-free Ontario for all people with disabilities. It should cover all disabilities, whether physical, mental or sensory. It should cover all barriers, not just physical barriers.

All public and private sector providers of goods, facilities and services should be required to remove and prevent barriers. Timelines and standards should be decided upon through a consultation with all stakeholders. The legislation should set out timelines for developing these standards and a process for consultation.

The same requirements should apply to all employers. There should be an effective and speedy way to enforce the law besides filing human rights complaints for each barrier in individual circumstances. People with disabilities should be able to propose regulations which the government must consider adopting in order to set the standards for barrier removal and prevention, sector by sector and industry by industry.

The bill needs amending in key areas to be strong and effective and to fulfill the goals set by the ODA Committee and the government's November 1, 2001, vision statement. Keeping in mind the very short timeline we had to review all of the recommended changes, our comments are based on input from the provincial ODA Committee, which has a good provincial representation of consumers with a disability, and our local consumers with a disability.

The following are some of the amendments that we're proposing by the disabled community.

Recommendation 1 is that the purpose clause should be amended to read as follows:

"The purpose of this act is to achieve a barrier-free Ontario for persons with disabilities through the identification and removal of existing barriers and the prevention of new barriers which prevent persons with disabilities from fully participating in all aspects of life in Ontario," not "to improve opportunities."

Under "Definitions," our second recommendation is to amend the definition of barrier to read, "'barrier' means anything that prevents a person from fully participating

in all aspects of society because of his or her disability. Without limiting the generality of the foregoing, a barrier can be a physical barrier, including architectural barriers, an information or communication barrier, such as a method of communication, an attitudinal barrier; and/or a technological barrier, and barriers can include a policy or practice."

Part of the definitions is to amend the definition of "disability" to add environmental and chemical sensitivity and brain injury.

Finally, under recommendation 2, amend the definition of "Government of Ontario" to include "the Legislature and Legislative Assembly of Ontario and its officers."

Under recommendation 3, "Duties of the government of Ontario," subsection 4(1), should be amended as follows:

"In consultation with persons with disabilities and others, the government of Ontario shall develop and adopt barrier-free design standards to promote accessibility for persons with disabilities to buildings, structures and premises, or parts of buildings, structures and premises, that the government owns, purchases, leases or constructs whether or not the building is significantly renovated after this section comes into force. These standards must address all types of barriers, not only barriers to physical access."

Our recommendation 4 is under "Government goods and services." Section 5 should be amended as follows:

"The government shall not purchase goods or services for the use of itself, its employees or the public that create or maintain barriers for persons with disabilities."

The term that's in the legislation, "have regard," doesn't mean "will accommodate."

1450

Under recommendation 5, section 7 should be amended as follows:

"Government publications must be barrier-free in terms of both format and content. Regulations must be developed and enacted, setting out the standard formats in which material must be available."

Under "Government employees," our recommendation would be to amend that section as follows:

"The government of Ontario shall create and maintain a barrier-free work environment in which persons with all disabilities can obtain employment, maintain employment, fully participate in all aspects of work life, and advance in their career goals, including the provision of necessary accommodations."

Further to that, "The obligation to create a barrier-free work environment includes all aspects of employment including applications for employment, hiring, training, and promotion."

Under "Government-funded capital programs," our seventh recommendation would be that capital funding for projects shall be made available only where there is a barrier-free plan incorporated into the project that meets the consumer-designed standards.

Under "Ministry accessibility plans," "Each ministry has the duty to ensure that the funding, services, programs, practices, legislation and regulations it administers are free of barriers through the development and implementation of barrier-free plans.

"The barrier-free plan that each ministry shall make and implement shall include the comprehensive identification, removal and prevention of barriers to persons with disabilities in the acts and regulations that are administered by the ministry and in the ministry's policies, programs, practices and services." In other words, this section should look at all legislation through a disability lens.

Recommendation 8.2: section 10 should be further amended to say:

"In developing and implementing its barrier-free plan, a ministry shall consult with the barrier-free council, the disability directorate, and the persons with disabilities who may be affected by the plan."

Under municipalities, section 11 should be amended so that "Each year, the council of every municipality shall prepare and implement a barrier-free plan."

Section 11 should further be amended in a fashion that is fully consistent with the previous amendments we propose in section 10 to include, for example, the following:

"The barrier-free plan shall include the comprehensive identification, removal and prevention of barriers to persons with disabilities in the municipality's bylaws and in its policies, programs, practices and services, as well as the municipal government's workplaces."

Again, this section should also incorporate looking at the bylaws through a disability lens concept.

Barrier-free committees: under recommendation 10, section 12 should be amended as follows:

"Each year, the council of every municipality of more than 10,000 people shall establish or continue a barrier-free advisory committee. A majority of persons appointed to this committee must be persons with a disability. The mandate of this council is to review drafts of the municipality's barrier-free plans, advise the council about their implementation, monitor the effectiveness of the plan, and to advise the municipality on barriers facing persons with disabilities within the territory of the municipality.

"Municipalities of fewer than 10,000 people must either establish a barrier-free advisory committee, or hold public consultations which include people with disabilities on these plans."

This recommendation will embrace over 80% of our region, as most communities in our region are below the 10,000 population base.

Further, recommendation 10 should be amended under the "Duty of council" section:

"Council will"—not "shall"—seek advice from the committee on the accessibility for persons with disabilities to a building, structure or premises, or part of a building, structure or premises,

"(a) that the council owns, purchases, constructs or leases or

"(b) that the council currently occupies as owner or lessee."

Under "Municipal goods and services," section 13 should be amended to parallel the amendments proposed above in section 5 with the conduct of the government of Ontario.

Number 12: under "Duties of other organizations..." "Public transportation organizations" should be amended to read:

"Each year, every public transportation organization shall prepare and implement a barrier-free plan."

The provision regarding transit providers should be similarly amended to ensure it reflects community standards as established by local consumers and a provincial barrier-free council.

Under section 15, organizations:

"The barrier-free plan shall require the comprehensive identification, removal and prevention of barriers to persons with disabilities in the organization's bylaws, if any, and in its policies, programs, practices and services as well as its workplaces."

Under "Agencies," section 16 should be amended to read:

"Each year, every agency shall prepare and implement a barrier-free plan."

Section 16 should also be amended to say:

"The barrier-free plan shall require the comprehensive identification, removal and prevention of barriers with respect to the provision of services and facilities, as well as with respect to the policies, programs and practices of the agency, and the agency's workplaces."

For joint barrier-free plans, under section 17, we would add:

"Where one or more ministries, municipalities, public transportation organization or organizations prepare a joint barrier-free plan, each entity is required to comply with the obligations under this act and the plan as if they had individual plans."

Did I say that right?

Section 18 should also be amended for exemptions:

"Where an organization or agency cannot comply with the regulation because of undue hardship within the meaning of the Ontario Human Rights Code, it may apply to the minister for an exemption from the regulation. The exemption cannot exceed a period of one year."

"Barrier-free council": this is recommended instead of "accessibility advisory council." So it's a name change. In this section:

"The council is authorized to undertake the following activities:

"(a) consult with persons with disabilities and others including those with relevant expertise, on the implementation of this act;

"(b) recommend to the minister or the Ontario Human Rights Commission that where there are problems in the implementation of this act or regulations, standards or guidelines made pursuant to it, steps to enforce the

legislation be taken, and request a report on the actions taken;

"(c) undertake research about the barriers facing persons with disabilities in Ontario, and on strategies in Ontario and elsewhere to address these;

"(d) provide programs of public information related to this act;

"(e) recommend the development or enactment of new standards or regulations to improve the effectiveness of the legislation."

I think my time's running fairly short here, so I'm going to jump—

The Chair: You can go ahead and finish. You've still got a couple of minutes.

Mr Buchan: I'll just continue. In order to ensure an inclusive council, the minister must ensure that there is representation, as much as is practicable, of the full range of disabilities and of the different regions of Ontario and—especially from this area—of gender, ethnicity and of First Nations. We have a large First Nations constituency in this area. It would be good to see their representation on the council.

There should be a public nomination process whereby any individual may apply or be nominated to become a member of the council. The names of nominees should be made public to afford an opportunity for public input, including input from persons with disabilities.

Instead of an "Accessibility Directorate of Ontario," we would recommend a "Barrier-Free Directorate of Ontario."

"The mandate of the ... directorate is to remove barriers and ensure that people with disabilities in Ontario are able to participate fully in all aspects of life in Ontario by:

"(a) improving people's understanding and knowledge of disability issues;

"(b) providing expert counsel and consultation to government ministries in the development of integrated, coordinated public policies, programs and services for persons with disabilities, their families/support structures;

"(c) work with government ministries and offices and the disability community to provide expertise, and identify and resolve issues of concern;

"(d) acting as a vehicle for collaboration and partnership with the disability community; and

"(e) providing leadership, coordination, research, policy development, education, communication, and consultation."

1500

Our 19th recommendation would be under section 21: "The executive council shall undertake a public review of this legislation after three years. The government of Ontario shall consult with persons with disabilities and all other interested stakeholders."

Section 22, under regulations, should be amended to add as follows: "In order to ensure the full participation of persons with disabilities in the development of regulations, any regulations to be created under this legis-

lation must be published in draft form. There must be an opportunity for public input and comment, in writing or in the form of public forums or hearings, before the regulation is enacted."

Also under section 22, "No regulation may be adopted which has the effect of creating a barrier to persons with disabilities, preventing or delaying the identification and removal of a barrier in any sector or which conflicts with the purpose of the legislation."

Under the enforcement of this act, the act should be further amended so that it includes the following: "The Ontario Human Rights Commission and the Ontario Human Rights board of inquiry have jurisdiction with respect to compliance with and enforcement under this legislation, and have with all necessary modifications all the authority and jurisdiction as is provided to them under the code."

Under municipal and provincial election act amendments, our recommendation 22: the bill's revisions to the board of inquiry and the provincial Elections Act should be expanded to say that "no polling station shall be located in a location which is not barrier-free;... that ballots be adapted to enable voters with disabilities, wherever possible, to mark the ballots themselves in private;... the government holding the election to provide American Sign Language interpretation or other like accommodation where needed for voters who are deaf, deafened or hard of hearing, to enable them to participate fully in the voting process."

Under section 28, the municipal act licensing authority, our 23rd recommendation would be: "section 28 of the bill now extends municipal licensing authority to impose conditions regarding the licensed business to be physically accessible. This should be amended to include a requirement of the business to become barrier-free, and not merely to address physical barriers."

Our 24th recommendation, ODA to bind the crown and override other legislative barriers: "This bill should be amended to provide explicitly that it supersedes any legislation, regulations, bylaws or policies which provide lesser protection for persons with disabilities."

We must again express the fact that this is a new bill. It is just a first step and will only get the support of constituents if the province amends the act to include the recommendations enclosed. The theme of the bill must reflect a "will do" attitude instead of "shall." As we all know, "shall" may never get done.

We again thank you for the opportunity to share some of our thoughts and recommendations on a very important piece of legislation. This act will impact on many citizens with a disability now and in the future.

The Chair: Thank you very much. There won't be any time for questions because we've run over the allocated time. However, before you go, I'd like to get your colleague's name for the record.

Mr Buchan: It's Doug Meredith.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

OPSEU DISABILITY RIGHTS CAUCUS

The Chair: Our next presentation is from the OPSEU Disability Rights Caucus. I would ask the presenter or presenters to please come forward and state your name for the record.

Mr Greg Snider: Hello, ladies and gentlemen. I am here on behalf of the OPSEU Disability Rights Caucus. My name is Greg Snider. I'm the chair of the disability rights caucus and work as a client service representative with the Ontario disability support program. With me is Laurie Barbeau, who works at Sault College as a special-needs counsellor and is also a member of the disability rights caucus. Laurie is also responsible for drafting our written submission on the Ontarians with Disabilities Act.

Ontario Public Service Employees disability rights caucus is made up of OPSEU members with disabilities representing all regions of Ontario and have come together to impact directly on the issues of disability in our workplaces. We have an obligation to assist more than 4,500 OPSEU members in a manner that permits them to continue their employment opportunities. We need to ensure that we eliminate the barriers that limit the involvement of our members who have a disability. We also have an obligation to assist all citizens with disabilities in their efforts to gain equal opportunities in all aspects of living.

The disability rights caucus's stated roles are as follows: (1) to advocate on behalf of members who live with a variety of disabilities; (2) to critique current union policy and develop new policy initiatives with respect to disability rights and accommodation issues; (3) to evaluate collective bargaining content and develop new bargaining objectives and propose disability-friendly practices with respect to how bargaining is structured as a means to increase the participation of members with disabilities; and (4) to educate the membership on disability-related issues.

Before we begin our examination of the proposed Ontarians with Disabilities Act, I feel obliged to take a moment to review the process under which this hearing has proceeded. It was only a short few weeks ago that I found out that Bill 125 had passed second reading and only two days ago that I found out where and when I would be speaking or, for that matter, that I would be speaking at all. Understand my situation for a moment. I live at the other end of the city, I don't drive because of my eyesight, my wife is out of town and I have a young child whom I need to get to school. I have little time to spend making arrangements. After all, I still have to adjust my speech, having just found out how much time I have. Luckily for me, I have a friend with a disability who, like so many others in her situation, is still looking for employment. She was willing to give me a drive. Many others were not able to make arrangements—hardly what was promised to persons with disabilities when this act was first promised by the government. But enough on the process.

The realities of societal inequality have prompted the need for yet more legislation that is designed to eliminate the many barriers faced by persons with disabilities. Legislation that guarantees full accessibility for those with disabilities is essential. Discrimination and inequality in our society have long been apparent to those with disabilities. The Human Rights Commission has reported this year that 40% of the complaints filed have been from persons with disabilities.

Employees injured in the workplace not only face a new physical and/or mental challenge but also face further problems with both their peers and employers in their efforts to obtain accommodations and to return to work. That disabled persons have to go to extra lengths to be employed is an appalling fact in Ontario and in Canada. A strong Ontarians with Disabilities Act can change the face of Ontario by ensuring equal participation of all citizens.

The government claims that the Ontarians with Disabilities Act will achieve a barrier-free Ontario for all people with disabilities. However, many of the essential elements to achieve this are lacking or are of minimal impact. It is impossible to visualize the intent expressed as a "barrier-free Ontario" within this act. A clear definition is imperative to gain full comprehension by all people. All citizens should be able to participate fully in all of life's activities. This includes all government programs and services, all private businesses and profit or non-profit ventures. Equality for persons with disabilities must be more than a way of doing business. It must be a way of living.

1510

If done properly, an Ontarians with Disabilities Act could truly be a win-win situation. The benefits to persons with disabilities is clear. Businesses will profit from their new customers as a result of the elimination of barriers in their settings. Persons with disabilities will stay in hotels, dine in restaurants, go to theatres and sporting events, become tourists, be students and employees. Imagine for a moment the kind of leadership that exists within a person who has been able to defeat physical or mental challenges many of us cannot even fully understand, or the inspiration they could be to their fellow workers.

The Ontarians with Disabilities Act only concerns itself with future buildings and facilities of the government and ignores the barriers that already exist. This needs to be addressed, as many individuals cannot mobilize in their communities to fulfill their life activities because they cannot enter the places where the activity is to be carried out.

Although physical barriers are most obvious and understandable, the Ontarians with Disabilities Act does not address the multitude of barriers faced by those with non-evident disabilities such as learning disabilities and mental health disorders. The nature of barriers is similar in that certain things stand in the way of an individual or group of individuals to fully participate.

Where a stairway impedes access for a mobility-impaired individual, information available in print format is equally impeding for a person with low vision or a visual processing learning disability. Similarly, job workload may impede successful employment and the return-to-work goals of persons with anxiety disorders.

The government needs to make complete revisions to the Ontarians with Disabilities Act to incorporate the variety of barriers experienced by all disabilities. According to published statistics, persons with disabilities are significantly unemployed and/or underemployed. They will need assured access to education and training activities to achieve employment. Also, those employees injured in the workplace need assurance of return-to-work access by removing all barriers and making accommodations in the workplace common practice. This problem becomes even more serious when you consider the negative stigma attached to people who are without employment.

There are other aspects of employment to be further addressed in this bill: recruitment, training and work function accommodations are necessary considerations that employers and employees alike will require assistance with. Accommodations should be required with clear definition and implementation timelines. Management and employee education in all aspects of a barrier-free environment will be equally essential. Although this bill speaks to providing training for government managers, it is important to note at this point that 10 years ago, when I came to work with the Ontario disability support program, then the family benefits office, I received a great deal of assistance from EASED. I don't recall any more what the initials stood for, but staff at EASED were trained in assisting employees and managers in removing barriers faced by staff with disabilities. They and others like them in every ministry have been laid off and their unique talents lost, their departments closed.

The Ontarians with Disabilities Act's weakest element is that it permits exemptions. Further, these exemptions can occur without qualification or due process. How can Ontario be barrier-free in some areas and not in others?

There are no penalties for non-compliance. In fact, the Ontarians with Disabilities Act is non-mandatory and voluntary. This absolutely fails to create a barrier-free society, reinforcing the lack of commitment to this legislation or to the development of regulations in a timely manner.

In general, Bill 125 falls short of the mechanisms to advance Ontario to be barrier-free. Barriers need to be identified and removed within specific non-negotiable time frames. It should apply to all organizations, programs, services and private businesses. Advisory committees need to be representative of persons with disabilities in all aspects of society. This legislation needs to establish means of enforcement and requires an expenditure of financial and expert resources to be fully implemented.

We hope that the government will re-evaluate the present Ontarians with Disabilities Act and set a base of barrier-free living and enhance the lives of us all.

The Chair: We have two minutes per caucus and I'll start with the official opposition.

Mr Gravelle: Thank you, Greg and Laurie, for being here. Greg, you and I discussed the fact that this was happening so quickly. We had a discussion about trying to get more time so people obviously would have a better opportunity to be represented. What kind of factor do you think that had just in terms of giving people access to these hearings? Because it was only last Tuesday that we even knew the location. I would be interested to have your or Laurie's thoughts on that.

Mr Snider: I don't think you're going to get a lot of people, especially up in the north, where the distance is great. People in Kenora—are you going to pay for a plane flight to fly down here to make a presentation with two days' notice? You don't even know if you're going to be heard. I think there are a whole bunch of people who simply vote off even coming here, who had good things to say and probably could really add to the conversation, just because the timetable wasn't presented for it. I think, more than that, there's no enforcement in the legislation, and when you see the way they're going about doing the committees, it doesn't seem to imply that we really believe in what we're doing. Like I mentioned in my speech, it's got to be real life, you've got to think about equity for persons with disabilities, and that means that when you set up these committee meetings, you've got to allow for the fact that Handi-Transit and things like that need to be ordered in advance. So you need to give people more time to prepare and to get things ready.

Mr Gravelle: So it wasn't a particularly good sign that things were done the way they were.

Mr Martin: You asked a question here in your presentation that I think is quite telling and important, and that is, how can Ontario be barrier-free in some areas and not in others? The people before you, Handicapped Action Group, spoke of the need to include the smaller communities, for example, and I'm sure you have members who live in some of the smaller communities, even some of the communities under 10,000. There's a suggestion, and I brought it to the table yesterday, that, "We can't afford to give everybody their human rights." I was wondering if you had any comment on that. Which ones should we not be giving their human rights to? People in communities under 10,000? People who the government decides need an exemption?

Ms Laurie Barbeau: I think that's an interesting point. Even now, without this act, the Ontario Human Rights Commission faces lengthy times in responding to people with disabilities' filing complaints of discrimination etc. So, to date we have not provided enough in the way of supporting those with disabilities generally in life. The fact that we have to have legislation to enforce that shows that our society is not totally accepting. But you can't decide that some groups are accommodated and some groups are not, or that one individual's human

rights are protected and another individual's human rights are not. If you're trying to get to a society or the province of Ontario being barrier-free, with equal opportunity for all, definitely you can't do that.

Mr Martin: I just wanted to recognize the effort that Laurie has made today. She has come from Sault Ste Marie, which is about eight hours away by road.

Mr Spina: Nine.

Mr Martin: Is it nine, Joe? I got it wrong. Well, it depends if you're speeding or not, right?

Ms Barbeau: And it's about 20 by air.

1520

Mr Martin: That's right, on a good day. We know all about that.

If you come from Sault Ste Marie to here, you'll come through a whole horde of really important and viable and vital communities that won't be covered by this act. Do you have any suggestion as to how we might include those groups in this piece of legislation?

Mr Snider: The only thing I could suggest is that we get rid of the limitation. All municipalities should have to carry it out. I don't see how you can put a price tag on a person's human rights. You're entitled to them or you're not entitled to them. Everybody gets them. All Ontarians get them, and I think that was said before. I don't think there's any other way of saying it than if it's a right of an Ontario citizen, a person with a disability, to have these things, then it's a right for all persons with disabilities in Ontario to have them.

Mr Spina: Thank you, Greg and Laurie. We're both from Sault Ste Marie. I was born and raised there, so I know the road, yes. Mother still lives there. They've taken the boy out of northern Ontario but not northern Ontario out of the boy.

I had two small, quick points with the time frame given. One, you talked about some timelines, Greg, and that once they're set, they should be adhered to. I wondered if you could share with us what kind of timelines you're thinking of in terms of implementing what. And the other is, you mentioned an anxious disorder?

Ms Barbeau: Anxiety disorders, yes.

Mr Spina: Yes, thank you, an anxiety disorder. If you could just maybe elaborate on that a little bit, I'd appreciate it.

Ms Barbeau: One of the things, as we said, we found with the act and the wording is that there's a focus on physical disabilities that for most people are easily understood. They're evident; you can see them. But in the area of mental health illness, there are many needs for accommodation. Anxiety disorder is only one diagnosed mental illness that we refer to here. But our point there is that those disabilities that are not evident to the visual eye, are still disabilities and they still require accommodation and they still require equal opportunity.

So an anxiety disorder would—in this context, the individual may not be able to reassume or assume a full workload, all the tasks that come within a job position, because to do that, their stress level may go beyond the point that they're able to handle. So a reasonable accom-

modation might be to share those tasks of that job position with other employees, thereby accommodating the impact of the anxiety disorder in the job position, but also availing that person the opportunity to be fully employed.

So where you can see an individual with a mobility problem in a wheelchair, it's not that much different for a person with a non-evident disability. The accommodations still need to be considered because the impacts of a disability are still there. They do exist.

The Chair: We've run out of time, but on behalf of the committee, thank you very much for your presentation this afternoon.

PERSONS UNITED FOR SELF-HELP IN NORTHWESTERN ONTARIO INC

The Chair: Our next presentation is from Persons United for Self-Help in Northwestern Ontario Inc. I would ask the presenters to please come forward, and if you could state your names for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Ms Marilyn Warf: Thank you for the opportunity to present the voice of persons with disabilities in northwestern Ontario on Bill 125. I'm Marilyn Warf, regional director of PUSH Northwest, and our co-presenter is Ron Ross, president of PUSH Northwest.

We will begin by providing an overview of our organization and its guiding principles.

PUSH Northwest is a consumer-driven organization of individuals with all types of disabilities—mobility, hearing, vision, developmental, psychiatric, neuromuscular and non-visible—consumer groups, agency representatives and family members. PUSH Northwest is the umbrella organization in Thunder Bay and northwestern Ontario that brings people together to co-operatively and collectively discuss disability issues.

The mandate of PUSH Northwest, its regional chapters and representatives in the communities in northwestern Ontario and First Nations communities is to promote independent living for and by individuals with disabilities; to empower people with disabilities to live productive and personally meaningful lives in a self-determined manner; to assist individuals and families to obtain and retain equipment, supports and services as required; to ensure the availability of high-quality consumer-directed services; and to work toward positive community change to enhance opportunities for people with disabilities.

The guiding values and principles of PUSH Northwest are the belief that the dignity and worth of all persons with disabilities must be respected; that all persons with disabilities have the right to life, to self-determination and to participate in a society free from barriers to their inclusion and integration; that persons with disabilities are in the best position to determine their own priorities; that all people in society share the responsibility to create communities which are accommodating.

PUSH Northwest has been a member of the provincial Ontarians with Disabilities Act Committee for six years. We had direct input into the creation of the original guidelines and principles for an Ontarians with Disabilities Act and we have been in regular communication with the consumers in northwestern Ontario throughout the various stages of planning and consultations to develop an Ontarians with Disabilities Act that would legislate full citizenship for persons with disabilities in all communities in Ontario.

Persons with disabilities had hoped for an Ontarians with Disabilities Act that would have legislated rights based on the set of principles developed by the Ontarians with Disabilities Act Committee members and which were unanimously adopted by the Ontario Legislature. We had also hoped that any bill presented would reflect the best practices of the Americans with Disabilities Act based on what has been learned after 10 years of experience with their comprehensive disabilities act. We had hoped for an act that would have reached across the private and public sector, that would have mandatory regulations, that would have been prepared and implemented with the leadership role given to grassroots persons with disabilities and that would have established direct access to the courts for any issues of non-compliance.

We had hoped for legislation that specified that society as a whole needed to be collectively responsible for creating inclusion, not piece by piece, not only from tax dollars, and specifically not to be examined as a cost to society, but a citizenship right for all Ontarians to be part of all law and to be part of everything we do as a province.

Bill 125 does not include these principles, does not create new rights for persons with disabilities, does not create new legal procedures or regulations or any enforcement mechanisms. Although there is mention of potential regulations to follow Bill 125, there is no mandate for the Ontario government to comply with creating these regulations and no stated time frame for future action in this regard.

There is no gentle way to tell the Ontario government that Bill 125 as it is presented is inadequate to achieve its stated purpose, "to improve opportunities for persons with disabilities and to provide for their involvement in the identification, removal and prevention of barriers to their full participation in the life of the province." However, with the inclusion of recommendations for expanding and strengthening Bill 125, this legislation framework could lead to achieving the stated purpose.

We understand that the Ontario government wants to keep their pre-election promise of an Ontarians with Disabilities Act, but persons with disabilities request that Bill 125 not be pushed through in its present form. The only result would be keeping a promise, but it would be an empty promise. If the Ontario government is sincere in wanting to achieve the stated purpose of Bill 125, they must take the time to review and include the recommendations presented during these consultations. Bill 125, if

passed in its present form, is a disservice to persons with disabilities.

1530

While many see Bill 125 as an important first step, critics fear that it will actually reduce current rights of persons with disabilities under Ontario human rights legislation rather than result in any removal of barriers. The Ontario human rights legislation imposes legal obligations on all private sector retailers, landlords and employers, while Bill 125 excludes the private sector from obligations. The focus of the bill is not legislating rights, but imposing obligations. The bill relies on voluntary measures which will result in little or no proactive change. If you want examples of why voluntary compliance does not work, look at the government's codes of practice, which have resulted only in maintaining the status quo.

Bill 125 fails to address barrier removal in the private sector, fails to commit the Ontario government to barrier removal in its own program and services delivery, places much of the obligation on the municipalities without any financial support to enable them to take action steps and lacks any mechanism for compliance in any area of barrier removal. There is no provision in Bill 125 that will improve access or provide steps toward equal citizenship. In its present form, the bill only makes provision for planning, not mandatory regulations nor timelines for implementation of any barrier removal.

A legal assessment of the content of Bill 125, by ARCH, the advocacy centre for legal resources for persons with disabilities, stated:

"In the absence of any enforcement or adjudication mechanism in Bill 125, there will be no independent review of actions taken pursuant to its provisions and no independent interpretations of what the various provisions of the legislation mean. This is highly unusual in a statute that establishes proactive responsibilities. In its current form, in order to have a determination about what any of the bill's provisions mean, it will be necessary to mount creative legal challenges through the courts, which is not easily done and is certainly not a fast or affordable option. The result is that those bodies charged with responsibilities under the bill are left to determine what their obligations are, which is a highly subjective and potentially arbitrary process."

Bill 125 is not a disabilities rights act, as it does not establish any mandatory regulations, implementation strategies or timelines to make rights for persons with disabilities a deliverable. Bill 125 is a planning act. We are in full support of planning for accessibility and barrier removal, but history has taught us that planning without action steps, legislation and mandatory compliance within specific time frames is not effective. Planning for barrier removal and action steps to remove those barriers should have been the ongoing work of the Ontario government over the last two terms. Barriers have been identified for years. What is lacking and will remain lacking if Bill 125 is passed in its present form is measurable and positive change, mandatory commitment to

achieve barrier removal and a will to act. Those components are not present in Bill 125.

For an Ontarians with Disabilities Act to be effective, there needs to be a specific commitment to, first and foremost, acknowledge and respect the fact that persons with disabilities face many barriers in their activities of daily living, barriers that are as varied and complex as people are themselves. The definition of "barrier" in the bill states that it is an obstacle to access for persons with disabilities that is not an obstacle to access for other persons and, in addition to a physical barrier, includes an attitudinal barrier, method of communication, policy or practice. The Ontario government is to be applauded for acknowledging and respecting the impact of all barriers for persons with disabilities beyond just physical access to buildings.

We are concerned, however, that the bill states that a barrier for persons with disabilities is not an obstacle for other persons. These words must be removed from the definition, as it will mean that the interpretation will allow for the exclusion of many significant barriers faced by persons with disabilities that others also may face. What is not considered in this reference is that the impact of any barrier on a person with a disability is greater due to their disability: for example, access to transportation, the need for accommodations in the workplace, housing requirements or adapted telephone access. A clearer and stronger definition is needed that is specific to the impact on a person with a disability. The definition of "barrier" must be disability-related, exclusive of whether or not it impacts on others in society.

The consideration of what constitutes a barrier in Bill 125 is also a concern as it looks at obstacles for persons—but in the plural word. This language may be interpreted in a way that demands that more than one person must experience this situation before it is determined to be a barrier under the bill. Current human rights allow for individuals to file a complaint and exclude systemic complaints. It was hoped that comprehensive Ontario disability legislation would ensure rights under both categories. If Bill 125 is passed as it exists and the interpretation of "barrier" is determined to be for more than one situation, will Bill 125 supersede consumer rights under the Ontario Human Rights Code? Which legislation will take precedence? Will persons with disabilities lose individual rights that currently exist?

Persons with disabilities do not want the human rights system to be a part of any proposed legislation. It is not a responsive or effective way to ensure consumer rights in the province; it is a lengthy and complex process that does not solve issues and, by its nature, discourages many from even beginning the process. As an example, in Thunder Bay, a case for access to a medical clinic has been ongoing for more than four years, and the Ontario Human Rights Code complaint is still not even to the investigation stage. What is in Bill 125 that will give persons with disabilities equal access and equal effect to health care services that are provided by the Ministry of

Health, supposed to be delivered equally to all Ontarians as a citizenship right?

Parents of children with disabilities must file human rights complaints to ensure their children can go to school. What is in Bill 125 that will ensure equal access to an education for these children? These same children have just been cut off any augmentative communication or physiotherapy services because of cutbacks by the Ministry of Health. What is there in Bill 125 that will help these children "improve their opportunities" or ensure "their full participation in the life of the province?"

The main concern for persons with disabilities is that they are being asked to agree to the content of Bill 125 and then wait to see what will happen in the future with regard to regulations. That is like asking people to sign a contract that has no details. We are very willing to work co-operatively with the Ontario government toward meaningful legislation that makes equal rights and opportunities for persons with disabilities in Ontario a deliverable. But we are reluctant to sign a contract that has no guarantee of becoming the strong, effective and mandatory Ontarians with Disabilities Act that is so desperately needed in Ontario.

Persons with disabilities are asking that Bill 125 not be pushed through as it currently exists. We are asking that the government immediately start on a plan to make proactive changes in the programs, supports and services that already exist in the province by:

- Mandating accessibility—equal access and equal effect with implementation strategies and timelines—in all health care facilities and practices as a condition for Ministry of Health funding, which includes all OHIP payments;

- Disallowing educational support persons to be assigned to other jobs in the school by teachers or principals and away from the child as a condition for schools to receive Ministry of Education funding;

- Revising the Ontario Building Code to remove the provision for only meeting the intent of the code, not really providing barrier-free access, and the provision in the code also for opting out of the code. Bill 125 will not effect positive change by stating that the Ontario Building Code must be adhered to while these provisions allow for less than barrier-free accessibility;

- Ensuring that communication services, materials in alternate format and full accommodation for persons with disabilities is provided by ministry staff of the Ontario disability support program offices. Consumers are currently being asked to sign documents they cannot see or read, without any accommodation provided by staff in these meetings;

- Making the entire system of providing income support for persons with disabilities through the Ontario disability support program more responsive and accessible. Currently, the application for income support cannot be completed by most due to the complex nature of the documents. Most applicants have to wait two years before they receive benefits because approximately 90%

are refused initially and the appeal process is so lengthy; and

—Ensuring people have Ministry of Health funding that pays for the full cost of wheelchairs and other devices before we look at anything like increasing parking fines.

1540

The Ontario government can start to “improve opportunities for persons with disabilities,” “remove and prevent barriers” to enable persons with disabilities to have “full participation in the life of the province” by addressing the barriers in existing programs and services. The Ontario government can start this process now.

The Ontario government can, at the same time, start to work with the disabled community to write the regulations and content of a new bill that can truly be called an Ontarians with Disabilities Act.

We know from past ODA consultations that the private sector are not against disability legislation, not for access or for employment. What they do want are clear guidelines and clearly stated compliance regulations. What they do not want is a paper nightmare of reports to file back to the government.

We also know from community surveys conducted in Ontario that the general population supports the creation of effective legislation for persons with disabilities.

It's a popular misconception that creating equal citizenship for persons with disabilities will cost a lot of money. Actually, having these consultations under the standing committee on finance and economic development rather than citizenship supports this misconception. There are many ways to start to level the playing field towards equal citizenship for all Ontarians that do not have large price tags. The way to make that happen does not need immediate passage of disability legislation as a first step. The Ontario government has the ability to start that process under existing legislation and then moving that positive example of what can be done into the wider community.

In closing, we make two requests:

(1) The existing government must make an immediate commitment to revise existing legislation to improve access and opportunity for persons with disabilities; and

(2) The Ontario government must make an immediate commitment to persons with disabilities by working with them to include consumer-approved principles and guidelines in an Ontarians with Disabilities Act that would be mandatory and provide for access and opportunities that are deliverable, with implementation strategies and specific timelines.

PUSH Northwest would be pleased to work with Minister Cam Jackson toward that collective goal.

Thank you very much for your attention to our comments. Ron will be pleased to answer any questions that you may have.

The Chair: Thank you very much. We have time for one minute per caucus and I'll start with Mr Martin.

Mr Martin: It's an excellent presentation. I think this is the first time a group has come forward to suggest that

there may be other approaches here than simply pushing ahead with an ODA that, in fact, doesn't do it in the end anyway. That's important to point out, because at the end of the day some of us may not be able to support this act if it doesn't have the amendments that have been called for consistently over the last while.

I also appreciate your reference to changes that are necessary to make life accessible for people with disabilities as not being as expensive as some would portray, and that may in fact be the case. My sense is that we don't have an act in front of us today with any teeth in it because the government thinks it will be too expensive and they don't want to put that kind of cost on to institutions, municipalities and the private sector. As I raised earlier, what is the price of a person's human rights? It's in the paper today, because we passed a bill last week, that we've bumped up delivering on a promise to corporations between \$2 billion and \$3 billion in tax breaks, but we can't come up with a little bit of money that's required to make sure that people with disabilities can participate in their communities. Perhaps some comment on that from you.

The Chair: With that, Mr Martin, I have to bring it to an end. We only have a minute so I have to go to Mr O'Toole.

Mr O'Toole: Thank you very much for your presentation. It clearly demonstrates how very, very far we have to go.

Ms Warf: You can start now with the current legislation.

Mr O'Toole: I think that's exactly my point. We have a long, long way to go, and we can posture for the next 15 years about finding the right balance, participation etc. I'm not in disagreement with you. I want to state what you said back to you in a positive way. This is a starting point.

I want to completely refute one point. You said that assigning it to the economic and finance committee is another distortion or something. That is absolutely an incorrect assumption. Critics from each party have been there. Mr DeFaria is the critic for Jackson. The name of the committee is immaterial, and for you to put that on the record disappoints me. It's trying to conjure up some sort of—that has to be corrected. You're adding to the misunderstanding of this consultation.

In terms of definition—again, as strong as your argument is, I am as passionate in the same direction. In subsection 2(1)—

The Chair: You have 20 seconds.

Mr O'Toole: —just clearly, in the definition of “barrier,” I could as easily make the point that not specifically in detail regulating those things that are barriers, this says anything that is not an obstacle to other persons. It doesn't assume things like anxiety disorders, things that haven't yet been coined or termed. So we're getting caught in minutiae of language, and I just really feel that the definition today is very inclusive.

Mr Ron Ross: If I can answer that quickly, the one thing on cost—and I guess the standing committee on finance indicates that there—

Mr O'Toole: The only committee that had time.

Mr Ross: Granted, and we'll take that report at your word.

We're in favour of this legislation if this committee goes back and looks at those amendments that are being recommended across the province by the people with disabilities who live with disability and those amendments are put into the legislation. But if the legislation goes forward as it is at this point in time, people with disabilities—it's like Marilyn said—are signing a contract in support of this and they don't know the goods in it. I'll leave it at that.

The Chair: The official opposition, Mrs McLeod.

Mrs McLeod: Just for a comment first and then my colleague has a question. I did want to thank Ron and Marilyn for a superb brief. I know that the committee feels that very often. We aren't sitting as regular members of the committee, but I've heard expressed here similar briefs in different parts of the province. But I think you would have to say this was a unique one that's obviously reflected a lot of work on the part of PUSH.

One of the unique things I was struck by was the fact that this bill had been referred to the finance committee, which I think does reflect a concern about the cost, and that's inherent in the nature of the bill. Anybody who thinks that the government is not going to be concerned about the cost of a disabilities act—any government has to be. But the aspect of the social justice is perhaps a little bit missing when you refer it to the finance committee, and I say that as opposition whip for the social and justice committee that is spending its days before Christmas dealing with food safety and nutrient management, which potentially could have gone to another committee while this bill came to a committee that was supposed to be dealing with items of social and justice policy.

Mr Gravelle: If I can ask a quick question, and say to Mr O'Toole that to take a shot at them for making that point—

Mr O'Toole: I didn't.

Mr Gravelle: You did. You more or less accused them of doing it deliberately. They were responding honestly to what appeared to be a sort of deliberate thing by the government to make a point. I just don't think you should get upset with them.

Just quickly about the private sector: you made the point about the fact that the private sector is not opposed. You did your own consultation, it seems to me. You had a gathering last summer. Can you tell us a bit about that in terms of bringing in some of the private sector people?

Mr Ross: There have been a number of consultations in this area and the private sector has been there.

Mr Gravelle: Exactly.

1550

Mr Ross: The private sector has supported the principles behind the ODA.

I'm a little familiar with the ADA, and we were hoping this would be modelled after the ADA. It's mandatory. It applies to the private sector, it applies to the public sector, it applies to government, and it's working.

People with disabilities don't expect all this to happen today or tomorrow or whatever. They realize it's going to take time. They're looking at legislation that is going to supersede all other pieces of legislation and there is conflict here already.

We did put right in your packages—and we wish that ARCH had presented a paper, but I think the newsletter is there, the ARCH Alert, which is a legal opinion that also looks at some conflict between this piece of legislation that's being proposed and existing legislation that could reduce some of the benefits that we do have now as people with disabilities. In fairness, we tried to present an overall picture.

Mr Gravelle: A great job.

The Chair: On behalf of the committee, thank you very much for your presentation.

Mr Hardeman: On a point of order, Mr Chairman: Not to take away from the presenters, but in the last presentation there seemed to be some concern about committees. I would just point out for all present that there is no such thing as a standing committee on citizenship, and so the recommendation is—

The Chair: I don't think we'll have the debate here today. I am sure that people can look at the background of committees and I'll leave it at that.

THUNDER BAY AND DISTRICT INJURED WORKERS' SUPPORT GROUP

The Chair: Our next presentation is from the Thunder Bay and District Injured Workers' Support Group. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome.

Mr Steve Mantis: My name is Steve Mantis. I want to thank you for coming to Thunder Bay to hear what folks here in the great northwest have to say. I want to thank you as well for bringing the bill and some of the supporting information in alternate format. I think that is a step forward, and it would be nice to see that type of behaviour in all aspects of government business, not just on the Ontarians with Disabilities Act, because, as citizens, people with disabilities are interested in all kinds of legislation, not just those that are specifically focused on us. In a way, that's reflective of some of my comments today.

I'm going to talk a little bit about injured workers. I'm an injured worker. I got hurt 23 years ago. There are over 300,000 workers with a permanent disability in Ontario today. The minister talks about 1.6 million in Ontario total, so about 20% of that total is workers who have been hurt at work. Every year there are about—it depends on the year—350,000 workers with a temporary disability, both of which are included in the definition that this legislation would apply to. So in an average year

you can be looking at half a million people, whether it's temporary or permanent disability. Here we're talking about a group of people who have established work histories. Of that group of workers with a permanent disability, in Ontario the vast majority are chronically unemployed. The stats themselves from the WCB show that since 1990, after the wage loss system was brought in, 78% were unemployed three years post-injury. Research that was done by our national organization, the Canadian Injured Workers Alliance, found similar numbers across the country—74%. Of those, two thirds are living in poverty.

Here we have workers who are out there working day in and day out. If they get hurt and they end up with a disability, what happens to them? Here are the ones among the folks with disabilities who in a way have a head start. We got to establish a bit of economic security. You get disabled and now you could live in poverty. I can see that this would create an interest from the government or any concerned citizen that this has to be addressed. So when I reflect I go, "Jeez, this purpose looks really good. You know, 'We're going to work with people with disabilities. They're going to be in charge'—not in charge, but they're going to be a player in making this better. I don't think the minister talked to any injured workers, or certainly not to any of the groups that represent injured workers, when he brought this bill forward. So I start scratching my head.

Then I read through the bill and I try to understand how it's going to make life better for workers with a disability and I can't figure it out. I can't figure out how it's going to help us. It makes me kind of feel good that people are thinking that we should have more opportunities and that we should be fuller participants, but that doesn't last that long. It's the results that I think we want to see.

What we've seen among our membership is that 90% of injured workers want to go back to work. They want to be there, they want to be full participants in society. We know that if you don't have a job, and a decent job, chances are you're not really going to be a full participant in our society. We really equate work with full participation in a very big way.

When we look at this proposed legislation there's no real mention about employment. There's a little bit. Government departments are supposed to give training to their supervisors so that they know a little bit about disability. That's positive, but will it really make an impact? Hard to say. We can look at the private sector. The Royal Bank has tremendous programs, awareness programs. They have people designated around disability issues and they do education, and the percentage of workers with a disability working for the Royal Bank is falling. So I guess that's not enough. There's got to be more.

When we look at some of the research, and I talk in my paper about it—I happen to represent the Ontario Network of Injured Workers' Groups at the research advisory council at the WCB and so I've been reading

more research. You see that research that's been done right across Canada shows that if people with disabilities are to be full participants, the one factor that's critical is education. Now, I'm not sure what it's like in your communities, but in this community we're hearing stories that those special-needs teachers who work with kids with disabilities are disappearing, for whatever reason. Whether it's budget cuts, reorganization or priorities, I'm not sure.

Then we're at Confederation College and, Jeez, 10 or 15 years ago they had this great access centre where people with disabilities could go and get help. Their funding is disappearing and now people with disabilities are having a hard time accessing the accommodations they need to be successful in school. Here we know that education is a key, but what's happening? In the present environment, people with disabilities aren't getting the assistance and the accommodation they need to participate fully.

I've heard a number of speakers this morning, and I'm sure you've heard way more, saying, "Look, this legislation needs to be strengthened for it to really have an impact." I agree with that, so I won't go over all those same points. But once again I reflect back. OK, this legislation's passed and now we're dealing with WCB. That's the organization I deal with. That's who those over 300,000 workers with a permanent disability deal with. So how's this going to help? Here's the organization whose goal is, from what I understand, to help people, once they get hurt at work, to recover and lead full lives again.

1600

I mentioned that research council I sit on. I can leave a copy of this with you, if you want. This is one of the first research studies that was funded through the WSIB. It's very unusual because it actually involved workers with a disability on the research team to set what the issues are that these workers face in returning to work. Let me read you a couple of little things from this.

Here's a quote from an injured worker, talking about going to the WSIB: "They feel that you go in there to get money, free money. You don't want to work. But I can tell you one thing from my heart. Honestly, I don't want free money. Everything in my house here I worked for. My religion teaches me that."

So here's an agency of the government that's supposed to help you recover. You're hurt, you're off work, and rather than trying to help, they make you feel like you're somehow a thief, that you're somehow doing something wrong.

It's interesting. Another piece of research done in Ontario, about three or four years ago at the University of Toronto, found that by being involved in the WCB system, your chance of disability increases. You become more disabled by having to deal with the system.

This also lays this out. Some 1,500 injured workers, taken at random through the WCB and WSIB, were sent surveys in the mail and responses came back.

They were asked this question: "My benefits are adequate for me and my family to meet our needs." The people who responded positively either agreed or strongly agreed. So 32% said, "Yes, my benefits are adequate for me and my family." I guess we're looking at 68% who were saying, "Benefits aren't adequate. I'm starting to fall behind."

Some 21% said, "While I was on benefits, I was afraid to do regular daily activities in case I might lose my benefits." You want people to get better. You want them to go out and do as much as they can. People are afraid, because the system is so adversarial.

Some 34% agreed, "My health and well-being were negatively affected by the claims process." So one third felt their health was deteriorating because they had to deal with an adversarial organization.

And 45% said, "I felt stressed out by the claims process." We know that stress can have a negative impact on your health. You want to get better. Don't you want support? Don't you want an agency that's going to help you get better?

It's interesting. When they talked about dealing with WSIB staff, when they were questioned, 39% said they thought the WSIB staff understood their situation. Less than half. So 41% said they "thought WSIB staff were honest with me." Only 36% said they thought, "WSIB staff were committed to deal with my case."

Here we've got an organization that is an agency of every government in Ontario. It's supposed to help, yet people are saying, "I can't even trust them. I don't feel like they're being honest with me. I don't feel like they're there to help me." So I'm saying, "OK, we need help to deal with this issue." I look at the ODA and I'm saying, "Where is the help?" Really, I'm coming to this committee and saying, "Can't we do better? Can't we hold accountable the agencies we already have, which are supposed to actually provide this service now? Can't we do better?"

The Chair: For clarification, are the stats you just quoted in the booklet you're going to provide?

Mr Mantis: Yes, I'd be pleased to do that. I only have one copy.

The Chair: No, that's fine. We'll make sure we have reproductions from it.

We have approximately a minute and a half per caucus.

Mr Carl DeFaria (Mississauga East): Thank you, Mr Mantis. I really enjoyed your presentation, what you have reflected. I have practised law in a community where most of my clientele were workers, and a lot of them were people who had to deal with workers' compensation. I completely understand how you feel about it. But the problem we have is a systemic problem that we have had with government delivery programs. I can tell you that those people working in those ministries are members of OPSEU. They are supposed to be there delivering the programs in a most respectful way to the people who are entitled to the programs. When the Liberals and the NDP were in government, workers felt

the same frustration. It's devastating. Our government has been having the same problems and we are trying to deal with them.

With respect to this bill, what it takes is a commitment. What our government has indicated is a commitment to deal with Ontarians with disabilities and find a way to deliver the services that are required and remove the barriers that are there. From all the presentations we have had, we have gotten more than 50 or 60 revisions of this act. So most people have different interpretations of what should be in the act.

The act is a living type of document that will have different committees submitting suggestions for regulations, and what may happen is that some regulations may not cost the government any money and those will be implemented, obviously, as fast as the government can. But it's very difficult in the act to provide all the measures, because different disabled communities have different concerns and problems. We are trying to deal with it. I understand your frustration, and as a government we are committed to try to respond to it.

Mr Gravelle: Thanks, Steve, very much. It was very strong and clear, as always when you make presentations. You're so right about rehabilitation, how there needs to be a renewed focus on it. It's a question of many things, obviously, in terms of treating people properly, but it's also a benefit to society to do that as well. So I think there needs to be a refocus.

I was fascinated, as I was glancing through your presentation, about the Federal Republic of Germany and I would love you to tell the committee a little bit about that. I know it's here, but it would be great to have it on the record. Tell us how they treat people with disabilities and the history. It's pretty fascinating and pretty impressive.

Mr Mantis: I'm not an expert on this, but I was given the opportunity to spend two weeks in Germany on a study tour in 1990 to look at the system of rehabilitation and employment for people with disabilities, specifically workers with disabilities, but we covered a broad range. They have a multitude of programs and services to ensure that people with disabilities have the opportunity to work. If you want to work in Germany and you've got a disability, there are programs and services there to ensure you will get a job.

I think one of the key ones we have seen, and I have seen analysis done on that, is a system they have that would be called a grant-levy system. Very simple: employers are required to employ 6% of their workforce as people with disabilities. The government is 10%. If you don't have that number you pay a fine every month, I think it's DM200 every month, and that goes into a special fund that is allocated just to help workers with disabilities to either get rehabilitation or to modify a workplace or for special programs to help them cope and become productive in the workforce. It's very simple, simple to administer, and it seems to work very well.

1610

Mr Martin: Just to clarify something maybe for Mr DeFaria and perhaps others, I've been sitting on the committee since the beginning and I don't sense there's a myriad of suggestions coming forward for amendments to this bill. I think everybody, almost to a person, has said, "We support the amendments being put forward by the ODA Committee," because this has been a very coordinated and collaborative effort for quite some time. Are you supporting that set of amendments as well today? Are you suggesting here today, because you've obviously been in the loop, that if we move to adopt those amendments, we will have a bill here that might actually do something?

Mr Mantis: Yes. Honestly, I haven't read through all their amendments. I've got this other job and everything else to do. I can definitely say I support the 11 principles they brought forward and the initial brief they put together a week and a half ago. I've read through that and I support that. I think it would be safe to say I support their amendments as well.

Mr Martin: So there really isn't a whole lot of confusion about what it is that the people living in the community who are disabled are asking for here.

Mr Mantis: Right.

The Chair: On behalf of the committee, thank you very much for your presentation. I'll try to give you your book back if we can get it photocopied.

Mr Mantis: That's OK. I have another copy at home, but I only had one here.

The Chair: Thank you very much.

CANADIAN NATIONAL INSTITUTE FOR THE BLIND

The Chair: Our next presentation is from the Canadian National Institute for the Blind. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome.

Ms Pat Seed: My name is Pat Seed and I am a person who has been blind all my life. I am registered with the CNIB. I thank you for calling for comments about this bill and for giving us a chance to give you some input and cover the things we feel might be improved in the bill, and also to congratulate you for the things you are currently doing.

First of all, when I say "blind," I am covering people who are visually impaired or, if you will, have limited vision, people who are totally blind and also people who are deaf-blind. I don't know if you know this or not, but people who are blind can also have other disabilities. They may use wheelchairs. They may also have dyslexia and all kinds of things. So it really covers a great deal of people. There are about 30,000 people who are blind and visually impaired in Ontario. As I say, we're talking about the blind, those who are visually impaired and the deaf-blind, and the barriers people would have and face every day in their work.

One of the things they would face is access to information. What needs to happen is that items need to be presented in alternative formats, especially where the government is concerned. Not all people who are blind read Braille. There is about 5% of the population who read Braille; however, a lot of people use computers, a lot of people use audio tapes. All these things need to be taken into consideration when you're looking at alternative formats and also in the areas of how a person learns, be it education or employment. Employment is really one of the largest barriers that we see.

Another thing I can tell you is that the format that one person may need, even if they are totally blind, may be different from the format of another person. In other words, a person who has MS, for instance, or diabetes may not be able to read Braille if their fingers are not as sensitive because of the disease they now have, as a difference from people who are blind from birth and don't have any of those disabilities. What you're looking at, then, is a difference in the needs of people, and you can't blanket-statement one group needing something and another group needing that same thing.

The amount of vision that a person has varies from person to person, so when we're talking about access to information, we're talking about computer screens, we're talking about barriers even as far as buildings go, where contrast strips, for instance, are needed for people to know where the stairs begin. All this needs to be put into the building code. While I'm on the subject of wording, it really is difficult when you say "feasible amount of time" or something such as that. It needs to be more exact. It needs to be that this "must" happen, that these changes "must" happen. The bill needs to be stronger in its statement of how these requirements need to be changed.

I mentioned the contrasting strips. Also, with obstacles that are in the way, we are talking about not only people who are in wheelchairs, and you know things about ramps and things like that, but many people don't think about the fact that people who are blind or visually impaired may not see, say, the Christmas tree in the middle of the lobby or they may not see a staircase which is overhead for the trains that are travelling above. They may not see the moose in Toronto in the middle of the sidewalk. So it really, really is difficult. Those kinds of barriers can really get in the way.

As far as places you would go, restaurants and everything like that, lighting is so important. I know in so many situations, people think the lighting has to be romantic in a building or it has to be low so that people are not getting excited or it has to be a certain lighting, a certain colour of lighting for a certain aspect to happen in a room. Really, some people need light right at their position. If you have a conference where you're taking notes, tables are much preferable if you're setting up a situation where you have a conference and people have the ability to take notes. As you can see, this is a Braille light. It would be pretty difficult to write on my lap with that kind of thing. People who have some vision would have difficulty writing on their laps too because some-

times they have to get down close and really look at the item and look at what they're writing. So the lighting you provide is very, very important.

It's always important to orient a person to their surroundings. As you saw when I began to sit down, I was shown where the microphone was, I was shown where the glass of water was and so on and so forth.

1620

Computers are a real big plus for people with vision limitations. Really, with so much being produced on computers, there is absolutely no reason to consider the "feasibility" of a document being in alternative formats. It's feasible, it can happen, so therefore should happen. I have helped others become familiar with the computer and get the information that they need.

Textbooks and things for employment and so on and so forth are very important. The assistive devices program is very, very important. We would not like to see cutbacks in any of the programs that really assist people with vision limitations: the employment supports program and so on and so forth. It really means that these programs need to be highlighted. People in the community need to be made aware of them, people on the governmental level. When people call the offices of their constituency, they need to be able to find the information they need.

As far as the Internet is concerned, there is really a big problem with Internet access. If you notice, on many access sites or Web sites, you'll have buttons going down, you'll have buttons going across and so on and so forth. If a person is using a screen reader to read the screen, which basically talks the information through, then they may be able to use a certain command to put those links in order, but they may not be able to. You follow one link. You're going in a certain direction. Whoops, all of a sudden on the next page you've got the same links repeated all over again, but you have to hunt for the link that you were originally looking for. Sometimes, when you go on that link, that puts you right back where you started from. So really a lot of thought has to be given to government Web sites and such so that they really are accessible, and that can happen.

The word "handicapped" is not one that we basically use. We use the term "disability," because within the term "disability" is the word "ability." I think that's very important. The word "handicap" actually came from England, where they used to talk about "cap in hand," thus the word stuck. The whole point of this is that terms like "reasonable accommodation" and "feasibility" and so on and so forth really need to be much stronger and much more exact in what is expected. You as government officials getting all of this feedback today, it's wonderful that you're doing this. Now what we need to do is ask you to take all this feedback back to your offices and work at this bill again and change some of the wording so that the timelines aren't so long, so that it's not just a general feasibility, but we expect items in alternative formats and so on and so forth.

Training is also needed for people with disabilities to be able to use the different devices and the different things that they have to use as far as equipment goes, and some of that is very, very important. As I say, I cannot stress alternative format enough. Sometimes that may even be a phone. That even may be a hotline or a phone type of situation, where a person doesn't have a computer in their home and they need that same aspect.

Municipalities: as far as elections go, the forms—any forms that come from the government—need to be in Braille, on tape and in large print so that the person can get the item that is best for them to receive. Not only that, though; they need to be able to get possibly even two or three forms of the same thing. In other words, if they get a large-print form and if they happen to be reading it on their closed circuit television, which enlarges the letters, or if they happen to be reading it on a Kurzweil scanner, which is a reading machine, and it makes mistakes, then they need to have a taped copy so that they can go through that taped copy and figure out, "What words am I missing? Where am I going? What does the information say?" and so on and so forth.

So I think it really has to be stronger. I not only say that, but I really hope that those who are presenting today in this area—and I do think that northwestern Ontario needs to be addressed as a separate area because of the fact that we are not as close to a lot of access and a lot of places and so on. So I think that the information you gather today needs to come back to the agencies that have presented it, which can then present to consumers once more for the final time and say, "OK, we've heard what you've had to say. We have taken that into consideration." We then present it to the groups and the community groups can look at it and say, "Yes, this is what we want. This is what needs to be done, and thank you for it."

Believe me, the more you go through with that and the faster you get things going, it's going to be to everyone's benefit. I'm sure that on a government level you would like this out of your hands as quickly as possible so that it can get started. This is the first step in doing that.

Does anybody have any questions?

The Chair: We have a minute per caucus, but before that, I don't think you were here, but we do have copies of the bill available in Braille, we have an audiotape and also a disk. So if you want a copy, we can provide you with one.

Ms Seed: OK.

The Chair: I'll start with the official opposition.

Mrs McLeod: It's Lyn McLeod here, Pat. First of all, thank you very much for your presentation. I wondered whether or not you did have a copy of the bill in Braille prior to being invited to speak to the committee today.

Ms Seed: I have a copy of the ARCH Alert, but I don't think I have a copy of the bill. That's another thing, and I'm glad you brought that up, actually. Information needs to be known, not only through the organizations, but when you do your media announcements, make sure that in those media announcements the forms are there,

make sure the names of the forms are there, not only on the screen but audibly. So many times we see commercials, and the number to contact a particular office of government is on the screen and we don't know what it is.

Mr Martin: Thank you for coming today and for taking the time to prepare so well and to make such reasonable requests of the committee and of the government. I agree with you that the wording needs to be more exact and we need to take out things like "where feasible" and "reasonable accommodation" and those kinds of things. We refer to those sometimes in the business as weasel words, and we've all done it. When we were in government, we were accused of using weasel words too, and they come back to bite you eventually.

You talk about training. I guess that's where I wanted to just dig a little bit deeper.

Ms Seed: OK, sure.

Mr Martin: We used to have the VRS.

Ms Seed: Right.

1630

Mr Martin: To be honest with you, I'm not quite sure what we have any more. Could you describe or are you aware of what—

Ms Seed: There is the employment supports office right now and as far as the CNIB is concerned, there really needs to be more money put in their hands to be able to assist with training, because we actually have someone from Sudbury coming up to assess people only twice a year and that's all that can be afforded. There is no one for assessing in this whole area, for actually really knowing the equipment and really being able to travel throughout northwestern Ontario. It's only by knowing the equipment and by using the equipment, regardless of whether the equipment is used at home or for employment or for education—I know that, for instance, with one of the school boards a piece of equipment like this was gotten, a Braille light was gotten for a student and the student was not able to take it to his home, even though he was using it all year. It did him some good in the school, but then when he wanted to study and he wanted to read his notes at home, he couldn't. So I think that there really needs to be a look at giving the information to employers and being able to assist employers and have programs in place for employers to get the information. The one thing, if the person themselves has the equipment, say, through the assistive devices program or the employment supports program, that equipment should be able to travel, to go with that person so that if they do move to another job, they have it.

Mr Hardeman: Thank you very much for the presentation. I was really impressed with your description of the problems you run into on the computer. I want to tell you that I run into those problems, and I don't have the challenges that you have to face. You lost me halfway through your description. So I was really impressed, not with wanting to learn the computer but when you were explaining about the word "handicapped" and the word "disability" and describing that the word "ability" was in

"disability." You've definitely proved that in your comments about working with the computer.

I was also impressed with your comments about an ad on television and the most important part that is required, if you want to comment on it, is the number and the place where you can make a contact. You are right, and I think the majority of the time that is just printed on the screen.

Ms Seed: Yes, it is.

Mr Hardeman: These are the types of things that I feel are so important about having these type of hearings, to make sure that you hear it directly from, what we call it out in the country, the horse's mouth as to what's really going on out there. I've watched these commercials a lot of times and agreed with some and disagreed with some, but I never gave any thought that some people would not be able to read what wasn't audible. So we very much appreciate your bringing that forward and taking the time to make that presentation to us today.

Ms Seed: I would like to add only one more thing and that is in the area of computers. Sometimes it is difficult for people who can see to teach computers, because they are working with a mouse and so on and so forth. But when you are blind or have a great deal of vision loss, you have great difficulty in working with a mouse with a computer. Just any of you who have computers, go home tonight and try and work it with your eyes closed and see if you can find the keyboard combinations that will give you the results that your mouse would give you.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

DAVID SHANNON

The Chair: Our last presenter, and sorry that we're running a bit late, is Mr David Shannon. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Mr David Shannon: My name is David Shannon. I'm a lawyer in the city of Thunder Bay. I'm a person with a disability. I'm also a part-time member of the Ontario Human Rights Commission board of inquiry. More than half of my practice is in the area of disability law and mental health law. Also, my graduate legal studies were a concentration in the area of the international protection of human rights.

As a result, what I'll share with you today is a personal view. I don't come here representing a client. I don't come here representing an organization. I've had the opportunity to read and review the legislation and perhaps of that I can speak. I also want to add that it's a great honour to be in the riding of Thunder Bay-Atikokan and to present before Lyn McLeod today and to all committee members.

In an article to be published soon that was written by Terry Blackwell of the Louisiana State University Health Sciences Center, which was entitled, *The Impact of the Americans With Disabilities Act on Independent Living*, he writes:

"Although the government can legislate laws, it cannot legislate peoples' stereotypical or sometimes prejudicial attitudes. They result from misunderstanding and discrimination, and result in low expectations about ... people with disabilities as 'patients,' 'wheelchair-bound,' 'suffering,' and as objects of pity and charity, or conversely as individualistic 'superheroes.' Despite the external barriers that persist, with the growth of the independent living movement and since the passage of the" Americans with Disabilities Act "and other disability civil rights legislation, more people with disabilities have been able to fulfill a variety of roles in their communities and establish lives of independence."

The government of Ontario should be congratulated for being the first jurisdiction in Canada to attempt to further remove the barriers faced by persons with a disability through the new ODA bill. I might be one of the few persons to make that statement in Ontario, but as Professor Blackwell noted, it is extremely difficult to legislate the removal of prejudicial attitudes, but legislation can create a context for a more socially inclusive environment. These attitudes can be reshaped through greater working relationships and the development of mutually beneficial strategic plans.

The new ODA is a key first step in achieving this goal of the social integration of persons with a disability because it brings this community, the community of persons with a disability, to the table in an equal and meaningful way. It is very important to note that ministries, government agencies and municipalities will be held accountable for perpetuating barriers and will be expected to produce plans for the removal of those barriers through an annual report. This initiative will be very important for the long-term removal of barriers that have failed to be removed, although the problems they cause to persons with a disability have been a matter of much public awareness for over 30 years.

I understand that this bill has been criticized for an apparent lack of enforcement options or enforcement mechanisms against wrongdoers. These critics should be aware that enforcement mechanisms for persons with a disability exist under the Ontario Human Rights Code, and the legal standard under that code compels the respondent to provide accommodations up to the point of undue financial hardship. I also appreciate a key point made by these very critics when they complain that the Ontario Human Rights Commission is a slow and frustrating process. I submit then that the concerns should not be with respect to the potential of the law in removing barriers, but focus should be on a review and improvement of the service delivery at the Ontario Human Rights Commission.

1640

It is often said that the proof is in the pudding, and the new ODA will provide a great opportunity to test this saying by considering the development of the accessibility directorate, the Accessibility Advisory Council of Ontario and the regulations that arise from the new ODA. A strong and committed directorate can provide a bril-

liant opportunity for the development of progressive policies and guidelines. A panel of experts working diligently to receive and advise upon annual reports will be a great asset to the Minister of Citizenship in creating the vision and the implementation process for a barrier-free Ontario. There will therefore be a difficult task before those who will be seeking to find persons with the knowledge, diplomacy skills and the disability perspective that will be required to bring credibility to the accessibility advisory panel and to drive the potential of this legislation. Without that key piece of recruitment, I fear that then the legislation may be left to fitter.

Finally, I note that there is not a mechanism for alternative dispute resolution and/or mediation within the ODA bill. The absence of mediation could lead to an adversarial process pitting the access advisory committee against all those who come before it or allow for a shame-based media circus where a ministry or municipality is publicly flogged in the media. This is not a positive step.

Complaints under the Americans With Disabilities Act are usually resolved through mediation without the need of a hearing. Also, in Ontario, more than 80% of the cases brought before the Ontario Human Rights board of inquiry are successfully resolved through mediation. From this process, both the complainant and the respondent leave with a deal they both can live with, their dignity intact and with greater knowledge respecting how to function in a discrimination-free Ontario. I urge the committee to consider the inclusion of mediation services either by way of amendment or regulation.

I thank you, Mr Chair and all committee members, for the opportunity to meet today and indicate my support for the legislation and my belief that with appropriate ministry commitment, the ODA will be an important tool in the eventual removal of barriers faced by Ontarians with a disability and, furthermore, my belief that the ODA can change attitudes in order to decrease the all-too-pervasive prejudice against persons with a disability now in Ontario.

The Chair: We have approximately three minutes per caucus.

Mr Martin: Thanks for coming today and for taking the time to look at this piece of work that we're about and to make the, I think, very concise and meaningful suggestions that you've made this afternoon. You may be the first and the only one who came to say what you—I'm not sure now. Members of the government?

Mr Hardeman: There have been a couple.

Mr Martin: There have been a couple, yes, and I'm sure you'll highlight those.

Interjection: Qualified.

Mr Martin: It's qualified. But I will say this: you're not the first to come full of hope that in fact this act is a beginning, is a first step, is a light at the end of a tunnel that some people have been in for quite some time.

I just wanted to ask you about the Human Rights Code and if you have read any of the critique, particularly by some of the legal clinics and ARCH, that in fact this bill

sets a floor that's below some of the requirements in the Ontario Human Rights Code and may in fact, by doing that, reduce the protection that some of the disability community have.

Mr Shannon: I would disagree with that because nothing in this bill takes away a person's right to bring forward a human rights complaint. So that still exists, and not to forget that then there is both the Supreme Court of Canada's recent decision in Meiorin and also the Famous Players decision of the board of inquiry where in fact Famous Players is going to have to either renovate, make their cinemas accessible, or close down within the next year or two. So those levers still exist.

There is a problem, though. There is a problem of slowness at the commission level. You can file a complaint and wait at least two years before it's going to be heard before the board of inquiry. That is not justice. That's justice denied.

I would disagree with those at ARCH, because what I see in the ODA is essentially a Canadian approach to dealing with hard issues, and that is getting to the table in an equal way and finding a conciliatory approach to resolving problems. We Canadians, you know, have committees, we have royal commissions, we have meetings and we resolve problems through a dignified process. I think that's the Canadian way rather than a hard-nosed litigation model of the United States.

Mr O'Toole: Thank you very much. I just wanted to first thank you, Mr Shannon, for bringing some academic insight into an issue that I'm sure you've had a great deal of experience with, serving with the Human Rights Commission. I respect that—

Mr Shannon: Board of inquiry.

Mr O'Toole: Board of inquiry. Pardon me. But it's important to be on the record that you are in the process, you see it as a process, that it's separate and still there.

I also respect the fact that you say that there should perhaps be a review. If that's the enforcement provisions with complement to this, it's probably an appropriate note to make.

Also, I more or less espouse—you're right—that it is a Canadian model in the respect that the mediation aspect for us would be the most appropriate model if there is a disputes mechanism at all. I prefer that to the courts—less confrontational is the point you made—I think in the areas we're dealing with.

I would just ask one question. You referred, and a few presenters have referred, to the American model. It is a national model which levels the playing field, so to speak, for all jurisdictional areas whether it's provincial, municipal or unorganized territories. Is there a role here for the federal government, besides the Supreme Court, to engage in this process? They do regulate some of the transportation areas and some of their financial institution areas, you know, because of cross-jurisdictional—could you just comment on the role of the federal government, or the lack of it, in Canada?

Mr Shannon: I would love to see a Canadians with Disabilities Act. It would create the framework perhaps

in the same way the charter has created a brilliant framework for all of us to aspire to, and of course the charter is modelled after the United Nations covenant on civil and political rights. That's where, first, the federal government could create a framework or a system for all jurisdictions to aspire toward. Indeed, funding is always important, but I'd look at the Canadian Human Rights Act and where the federal government could certainly, in the area of transportation, trains, air transportation—I understand you had some trouble with your air flights yourselves to get here. They could make such great progress and there continues to not be the kind of progress that we, as disabled persons, would hope.

While we're on the topic of the Americans with Disabilities Act and talking about that federal legislation: right now, according to Professor Blackwell, only 8% of the complainants who bring forward complaints based on discrimination in the employment sector succeed. In Ontario we want to have better than that, and I hope the ODA is better than an 8% success rate. If ARCH feels that this goes below the present Human Rights Code, I don't think you can get much worse than 8% success.

The Chair: Thank you very much. Ms McLeod.

1650

Mrs McLeod: Thank you very much, David. You and I have talked about this, and you know we have agreed to disagree about whether this should be supported as a first step—

Mr Shannon: Happily too, yes.

Mrs McLeod: —recognizing that it doesn't go far enough along. As you know, my position and the position of the Liberal caucus in the Ontario Legislature is in support of the position taken by disability groups that have presented today, which is to say that without amendment, the bill should not be supported. I guess, given the time frames, I'm extremely concerned that the kinds of amendments that need to be put in this bill to make it a really meaningful piece of legislation are just not going to happen. We can always be hopeful. We have exactly two legislative days to make the changes under the time allocation motion, as I understand it.

I'm concerned about a couple of things in the presentation you made. One is that an Ontario-made model, any Canadian-made model, while I too would grant government the credit for having brought forward a piece of legislation, should not be falling so far short of the Americans with Disabilities Act model. We can do better than that, as Steve Mantis just said. But specifically I'm even more concerned that the bill does fall short of the standards set in the Human Rights Code. I agree that going to the Human Rights Commission as a dispute mechanism, as a resolver of issues, is a problem because of slowness.

But I think we've got another problem when this bill becomes law, and I ask you this as a lawyer—at least two areas in which there is a conflict between this law and the Human Rights Code. One is in the fact that this does not apply to the private sector at all, and I think there will be some really legal contentions from the private sector

about whether under this bill they are exempt from any requirements that under the Human Rights Code potentially they would be held to.

The second one—it was mentioned in PUSH North-west's brief—which I hadn't realized, came up in Pat Seed's presentation when she talked about the fact that individual needs can be very different and that a sort of one-size-fits-all even to a given disability isn't going to work, and yet in the ODA-proposed bill it appears as though it will be only if something affects a group of persons as opposed to an individual that the ODA takes effect. That's different from the Human Rights Code, as you know, where you're dealing with individual applications.

On both those fronts my concern, my question, to you as a lawyer is, are we not compromising what we already have under the Human Rights Code when it comes to giving fairness and equity to those with disabilities?

Mr Shannon: As I had already stated, I believe that this doesn't change the framework created. Whatever legislation is created is still subject to the decisions of the Supreme Court of Canada. The Supreme Court was very articulate in Meiorin in saying that there must be accommodation. It says a lot of other things, but they set the bar very high with respect to the duty to accommodate.

Mrs McLeod: Do people have to go that far, though, David, to get fairness, to the Supreme Court? Do we have to go that far? Should we not build it into our law?

Mr Shannon: Well, no, I hope that now it has trickled down to the tribunal level to create at least the legal test.

Also, I respect what the Liberal caucus's perspective is, because indeed their perspective is to try to improve this bill. One part of me was thinking as a lawyer, another part was indeed as a pragmatist, thinking, "Why don't we take this window of opportunity and get through?" As I had said, I think it will depend largely on the experts' panel, the access advisory committee, as they receive the reports, how they take those definitions and how they use the report also to apply to the private sector. Indeed, where any government funding is to be distributed, there will be accessibility requirements, which has some impact on the private sector. However, I would think with that credible experts' panel they are going to have to create the framework for the private sector, who are also still compellable under the code. But I see the ODA as a first step, and step number two will be the private sector.

In answering that, step two is still required, we still have the code, and the experts' panel is going to have to do a lot of report writing. If what I see is going to evolve into a quasi-judicial body writing lengthy reports to articulate what accessibility means, I think it's going to move quickly from just physical barriers to equating social inclusion, if I were to crystal-ball-gaze. If you have some sharp people there, hopefully there's going to be some exciting report writing from the accessibility advisory committee.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

Before we recess or adjourn, I need some clarification. There are a couple of items I would like to clarify also for the members. The taxi and the van will be leaving for the airport tonight at 6:20. I would also like to notify the members that tomorrow morning at 9:20, taxis will be leaving the hotel in Sudbury to go to Cambrian College. It's about a 20- to 25-minute ride, I think, from the hotel.

The other thing is that I need the committee's input with regard to order number 46. It reads as follows:

"That the committee meet on Tuesday, December 11, 2001, for clause-by-clause consideration of the bill.

"That, when meeting in Toronto, the standing committee on finance and economic affairs not meet during routine proceedings;

"That the committee be authorized to meet on December 11, 2001, until completion of clause-by-clause consideration....

"That at 4:00 pm on the day of clause-by-clause consideration of the bill, those amendments which have not been moved shall be deemed to have been moved, and the Chair of the committee shall interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of the bill and any amendments thereto."

What I need clarification on from the committee is, when are we going to meet on Tuesday?

Mr Martin: I'm not sure how much power we have here in that that motion was passed by the whole Legislature. Perhaps with unanimous agreement we could decide, given that we hear the government is going to table substantial amendments, perhaps to take that block from time from 1 to 4 that we normally take to be in the House, to participate in that part of our day and take whatever time we need that day, even if it goes until midnight, to consider the amendments and debate them and have them passed. Perhaps, if you wanted to put a timeline, I would say midnight, because the House will be sitting anyway.

The Chair: But this is the problem. Under the orders of the House, we cannot meet between 1 and 4.

Mr Martin: But at 4 you've got to put the questions.

The Chair: That's right, at 4 o'clock. But we can meet in the morning.

Mr Martin: Yes.

Mr O'Toole: Tuesday's caucus. It's a very important caucus because it's potentially the last week, we hope.

Mr Martin: You should have said that to your House leader when she put this forward.

Mr O'Toole: I'll find out if we can meet at 8 Tuesday morning.

Mr Martin: It could be more than an hour.

The Chair: I don't need an answer, but at least we can think about it. I'd need some clarification—

Mr Martin: What parameters do we have?

The Chair: We don't have an awful lot of parameters because under the standing orders we cannot meet between 1 and 4—until orders of the day are called.

Mr O'Toole: Chair, I would just like to advise you, the critic, and I believe Ernie is the critic on your side, that with the House leaders—I would encourage you to get together with your House leader to find out if they've worked out something that would allow us to meet.

Mr Martin: Certainly I can talk to our House leader.

The Chair: Can we leave it at that, to contact the House leaders? Is that satisfactory?

Mrs McLeod: I'm not as familiar with the details of the time allocation motion and I'm a visual learner, so when you read it as quickly as you did—do I understand that right now the committee is to meet only on Tuesday the 11th in order to do clause-by-clause, but at 4 o'clock—

The Chair: I have to put—yes.

Mrs McLeod: Which could be five minutes of consideration of amendments, as it stands?

The Chair: No, they could meet in the morning.

Mrs McLeod: But if you met after routine proceedings, which would be the normal sitting time of the committee—

The Chair: You'd have roughly half an hour.

Mrs McLeod: We have to place the questions at 4 o'clock, which means there is really no time to consider amendments.

The Chair: There would be very little time. Yes.

Mrs McLeod: I put this on the record, Mr Chair. It makes a mockery of the entire hearing procedure. We've

had presenter after presenter today make significant recommendations for amendment, and I gather you've been hearing that all across the province. There has been no time left. I think you've got to go back to the House leaders and say, "You've got to have that changed."

The Chair: I think that's the suggestion.

Mrs McLeod: "You've got to withdraw the time allocation motion."

The Chair: So we have agreement that we go back to our respective House leaders to get some direction.

Mr O'Toole: Ernie is our appointment on this.

Mr Martin: Ernie, you and I can talk a bit.

The Chair: OK. And we'll touch—

Mrs McLeod: Before you all leave—

The Chair: You're inviting us for supper, right?

Mrs McLeod: I won't invite you for supper because I was told at lunch that you had much too tight a timeline. But I did want to express thanks on Michael's and my behalf, not only to all the committee members but to all the staff members. We always appreciate the fact that the committee makes an extra effort to come to northwestern Ontario and to Thunder Bay. I know in December that it's an added challenge and sometimes even a little bit of a risk to commit the committee to coming to the northwest, and that adds to our appreciation of the effort people have made. So thank you very much. I hope you have a safe and timely trip back home or to Sudbury.

The Chair: Thank you very much. This committee is adjourned until 10 o'clock tomorrow morning.

The committee adjourned at 1700.

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Second Session, 37th Parliament

**Assemblée législative
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**Standing committee on
finance and economic affairs**

**Comité permanent des finances
et des affaires économiques**

**Ontarians with Disabilities
Act, 2001**

**Loi de 2001 sur les personnes
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Friday 7 December 2001

Vendredi 7 décembre 2001

*The committee met at 0959 at Cambrian College,
Sudbury.*

ONTARIANS WITH DISABILITIES
ACT, 2001LOI DE 2001 SUR LES PERSONNES
HANDICAPÉES DE L'ONTARIO

Consideration of Bill 125, An Act to improve the identification, removal and prevention of barriers faced by persons with disabilities and to make related amendments to other Acts / Projet de loi 125, Loi visant à améliorer le repérage, l'élimination et la prévention des obstacles auxquels font face les personnes handicapées et apportant des modifications connexes à d'autres lois.

The Chair (Mr Marcel Beaubien): Good morning, everyone. I'd like to bring the standing committee on finance and economic affairs to order. We're here to consider Bill 125.

There are a couple of items I would like to bring to everyone's attention. Copies of the bill are available at the back of the room in Braille. We also have audio tapes and disks. It's also available in French.

On behalf of the committee, I would like to recognize the passing away of Dr Frank Marsh at the young age of 51 years on November 11. Dr Marsh was the third president of Cambrian College. On behalf of the committee, I'd like to offer our condolences to his family, to the staff and students of Cambrian College, and to the community because Dr Marsh, although I did not know him personally, was involved tremendously in the community.

With that, I'll ask our first presenter, the Navy League of Canada, Sudbury branch, to please come forward and identify yourself for the record.

Interjection: The screen is wiped out, Chair.

The Chair: I guess we'll have to take a break for a couple of minutes until the screen is back on.

The committee recessed from 1000 to 1004.

The Chair: I would like to introduce the committee members. I'll start on my left with Mr Rick Bartolucci, Mr Tony Martin, Ms Shelley Martel, and then on my right, Mr Carl DeFaria, Mr Joe Spina and Mr Ernie Hardeman. Mr John O'Toole is not here but will be shortly. I'm Marcel Beaubien.

NAVY LEAGUE OF CANADA,
SUDBURY BRANCH

The Chair: I'm sorry for the technical difficulty, but we won't dock you on your time. We'll start now. On behalf of the committee, welcome.

Mr Bryan Chapelle: Thank you very much. On behalf of the Navy League of Canada, Sudbury branch, I bid everybody good morning. I was asked to come and speak on behalf of disabled people mainly because we have the Brain Injury Association of Sudbury and District in our building, which is great. I guess in a lot of ways we feel we have first-hand knowledge of this. I'm going to start my presentation and give you an idea of how we look at disabilities in the Navy League of Canada.

The Chair: Before you start, could you identify both of you?

Mr Chapelle: My apologies. This is Mr Bill Lee, my public relations person. We hang around together because we need each other. It doesn't hurt at all to have someone else from the branch with me. Given the fact that Mr Lee is disabled—he is technically blind; he was injured in the Canadian navy—and he is a member of our branch, this shows how people can function, even with disabilities. Do you have anything to say, Mr Lee?

Mr Bill Lee: No.

Mr Chapelle: All right, I'm going to start my presentation. We at the Navy League of Canada, Sudbury branch, like to think we are setting an example for the rest of the community when it comes to issues of disabilities. We understand first-hand the barriers that face people living with disabilities. The Sudbury branch has two board members who have become disabled in adult life. In our cadet corps, we have serving cadets who have certain medical conditions that require special care. We encourage integration, not discrimination. We are now trying to accommodate the needs of the disabled within our community.

I have to look back. We have a cadet corps. We sponsor now three cadet corps. Financially, it costs a lot, but one of them is the Admiral Mountbatten Sea Cadet Corps. It has a terrific history. It's one of the top corps in Canada. It's the only corps in Canada that has wiped the field over army and air in individual and team compe-

titions. That was in 1977, and the second time was about four and a half years ago.

At that time we had two disabled young adults in our corps. When it came to judging, we asked that the judges not judge them on their disability, but on their position. One was in the guard and one was in the band. That was at Borden and we wiped the field. If you're part of the Mountbattens, no matter what standing you are, we teach these kids to perform and not to win. That's why we win all the time. They've got to enjoy it. They have to be a part of it. So any child who's disabled has to work just as hard as the ones who are in there. The difference is they help each other.

So we'd never exclude anybody who was disabled. If someone was disabled because they couldn't do certain things, we would compensate for them to do other things—not demeaning things, because the idea is they all progress in rank. I think the positive thing about cadet corps is we all lack confidence in our lives. If there's anything this organization brings, it's confidence.

Secondly, as I said earlier, we donate office space to the Brain Injury Association of Sudbury and District, and we'd like to do the same for other charities, but because of the current design of our building, the Navy League Hall, it is inaccessible to all persons in a wheelchair. Anybody with motor impairment has a tough time negotiating the stairs. Our washrooms cannot facilitate anyone in a wheelchair with any dignity.

I think at the Navy League of Canada, Sudbury branch, we're too easy in some senses, but we take in people. We're family. I think the one thing you'll learn about the Navy League of Canada is we're family. The brain injury association has become family to us. We have helped them. A member of our branch sits on their branch. We're a frugal bunch and we intend to make this group frugal. We know how to raise money even in difficult times, but they needed guidance. They are very smart people, but they have to learn how to focus, and that's what we have worked on. I see now in the last few months—and even the mayor's office has told me how impressed they are—how they have come along. That's our main intent.

1010

They stay there free of charge. We don't charge any money. If it's a rental, a dance or something, that's a different story. We offset our costs by renting the building. But the way the building was designed by the Mine Mill union approximately 50 years ago—it's a very strong building—it does not lend itself freely to wheelchair accessibility. So it will be quite costly. Even with the grants, it will be costly.

We have initiated fundraising. We've been talking about this for months at the Navy League branch. Our elections are next Sunday, so I can't go into it fully, because I can't commit the branch to a new project that will run into the thousands. I have a lot of confidence it will go anyway, but being president and as my term is coming up—I can run for one more year, which I will—I can't put a burden on the new incoming executive. That's

on the whole, but we're planning to put so much money away a year that actually would be taken away from our cadet corps, from our main organization. That's the only way, because the grant structures as they stand will cover only about 50%, average, on whatever you do. So if you've got a \$100,000 price tag for that work, you're looking at raising at least \$50,000 yourself. I'm already running a budget of about \$100,000 to \$120,000. I would figure this year, because we picked up and started a corps in Little Current, it will be closer to \$120,000.

The lady from the Trillium Foundation says, "How do you do it?" It's the people we have, it's the dedication, ex-veterans, ex-navy, ex-Navy League people who come together, and we work hard. We have had some tight times even this year, but we hang on and we push and we come through it. We're going to have to lay out a plan on how we're going to do it, and that will come about after next Sunday. We pretty well know how.

We would like to know if there is going to be a time limit on this bill for retrofitting the project at the Navy League hall. Looking at the year 2000, just the branch alone we're talking \$48,000. That was for two cadet corps on the branch costs. We're pretty frugal, but at the same time our corps are spoiled. We must have \$50,000 or \$60,000 invested in band equipment. We completely sponsor the Navy League Cadet Corps ourselves—uniforms, everything—because they don't come under national defence. So that corps costs a lot of money. The sea cadets, everything the debt doesn't honour, in a sense—they provide a building and they provide their uniforms. We pick up everything else that corps needs, so it gets pretty expensive as it stands. We run a sailing centre. So we've got a lot of overhead. We're paying the mortgage. The only good thing about the mortgage is that Ontario division of the Navy League of Canada paid cash for the building, so we pay Ontario division. If we did run into a problem this month, let's say, we would just phone Toronto and they'd say, "Well, pick it up in the next two or three months or whatever." We don't perceive a problem, but we haven't had that problem. Since we've taken the building over, we've paid them.

I have a vision for us. If we are going to fundraise ourselves, you're looking at anywhere from two to five years for us to have the money raised before we can go for grants. What we're concerned about is, if Bill 125 is going to tell me that I have to do this within two years or three years, that's going to put a heavy strain on us and, would imagine, a lot of organizations, and it could financially put us into—

Interjection: Bankrupt.

Mr Chapelle: It wouldn't bankrupt us; it would make it close.

There's got to be a lot of thought going on here. In Sudbury we're pooling from the same economic spectrum. We're pulling from the different groups, from businesses and that. The big thing with us is that up to our 50th reunion in 1993 we had over 5,000 sea cadets pass through the corps. They have been great to us financially in fact we're starting an alumni now. A lot of them have

businesses, so in turn we've been lucky that way. But there are so many charities and everybody's going after the same dollar value. It becomes difficult.

Another problem, on which I was asked to do a survey of one of the ministries—I believe it was culture and something; I forget—was the effect of gambling coming to a city. It does have a great effect. Even with the racetracks down—I was running a bingo and when the racetrack opened up the revenues dropped. So it does have an effect. And in five years they're talking about allowing new tables to go in. I think that will just about finish the charities in Sudbury and area. That's my personal view, and I didn't hide that.

Being part of the Navy League of Canada, where there are charities that have been affected by racetracks, the maximum you can get is \$5,000 a year. Some of these organizations in the area I'm talking about have teamed up together, four or five of them, and run bingos. They had their own bingo halls. They had to sell everything. Like one guy said, "You lost \$40,000 out of your budget that you could use to help people. Then you went to council and they gave you a whole—they didn't have to give you five grand; they might give you \$1,000." He said that every group within that area was affected, whether it was someone who was disabled, or any of the groups—cancer society, heart fund—because there was more money going out to these areas, especially gambling.

I figure we're looking at anywhere from \$100,000, maybe \$120,000. I went to the city, and we have to hire an architectural engineer because of the age of the building. It's a strong building. We've already had it checked out by a structural engineer. They said it's unbelievably well built. But that's another cost, and it will be a pretty penny.

I've looked through the material, because I've done fundraising. I'm usually the guy who applies for the grants. I've learned there's a knack to applying for the grants, especially in how you fill out the answers. That took some time. But grants aren't always the total answer. I think groups like disabled groups will have to do one thing—and they might be a little angry with me for saying this—but they're going to have to take part, even including their own fundraising to assist, whether it's groups or themselves. I find you have to do more. You have to get involved. I can't sit back, or Bill, or my branch, and hope that money comes in. We have to go out and hustle for it. So I think, as a group, there's money out there and you can get it. They have to be do more of that. Some people may jump on me for that.

020

I just take the group that we have in the hall now. They're fundraising their own money. I remember one of the meetings I sat in on, and they had all these ideas, which everybody loves. We get ideas of grandeur sometimes. I said, "Wait. You have to learn how to crawl before you walk." Every quarter, dime, nickel or dollar you get, that's money you never had before. The Navy League never looks at hundreds or thousands; we look at

pennies, nickels and dimes. I think a lot of these groups have to look at it in that sense and I think they have to come out in the community—I know they're disabled, but I know a lot of them can do a lot of things. It would probably give some extra meaning to their lives and show people that they don't need society to totally help them, that they're more than capable. I think our cadet corps show that, that these children are capable of going on.

Our aim at the Navy League of Canada in Sudbury is to make the hall accessible to everybody, and we will do it and we will do it as fast as we can.

Access to partnership: we're going to try that with different companies. That's a little tough too, because if you're living up here in northern Ontario, you don't have that many to feed off, because you've got all these other groups. But we're going to try that approach. I have a few ideas knocking around. Perhaps this way, with our own fundraising and if we can partner with somebody and with the grants, I think we should be able to make that hall accessible to everybody, and to all the charities.

That's been our main function since we've taken over that hall. Even the YWCA, we opened that hall free of charge, the kitchen, everything, for violence against women prevention and their march. Anything to do with the community is free. Last Christmas a company phoned up and they were going to have over 500 children coming through. They were giving them free toys; they had Santa there. This is a true story. They phoned up and said to the lady we have working, "How much would you charge for the hall for a day at Christmas?" They said it was for youth and that, you know. She said, "I don't know. I'd have to talk to the treasurer." He was next door and she said to the treasurer, "How much do you charge, Gary?" He said, "Well, \$50." Anyway, Gloria went back to the woman and she wouldn't believe her. She said, "I've got to talk to that person—\$50." She'd already talked to a few halls and it was \$400, \$800. Gary said, "I have to charge something. I've got to pay somebody 50 bucks to clean that hall," because it was around Christmas and a lot of us were gone, doing things.

We don't overkill. So the idea is to open the hall, make it more accessible. There are a lot of groups in Sudbury and area that have people who are disabled. They don't have to be part of the organization, but you can have many groups that need facilities. So our aim is to make it accessible as soon as possible.

Our concern on this Bill 125 is that I've never heard a timeline. That's what concerns me, because if we can't do it in two years—it might take us three years—are we going to be cornered in a timeline because of that? That's our main concern. If you have any questions—

The Chair: Thank you very much. I'll allow for a minute. We've just got a very brief time. I'll start with the government's side, Mr Hardeman, a quick one minute.

Mr Ernie Hardeman (Oxford): Thank you very much for the presentation and for pointing out all the good work that your organization does in the community for the disabled but also for the community in general.

I noticed you mentioned fundraising and you referred to the Trillium grant. Has your organization taken advantage of and been able to use that, and does it work? Obviously the province put in place the Trillium process to replace and to assist in the areas where the slot machines would take away from the fundraising capabilities of your organization. So does it work well for your organization?

Mr Chapelle: It worked well. I have no complaints about the Trillium Foundation at all, because at that time I applied for \$24,000 and we got \$17,000. I didn't expect to get the \$24,000, but we got \$17,000. We built a monument here in Sudbury that actually reflects a true value of about \$52,000. We did that project in nine months. The building came open to us within two months of the monument. So we have a double whammy. We took on the building, we took on the monument. We've done both. Then we moved to open the cadet corps.

The Trillium fund is great. I don't think funds or grants should pay for everything, I really don't, because that's the wrong approach. If you're a true organization, whether it's the Lions Club, the Shriners or anything, you should be out there getting money. I don't think the government should be servicing the whole community. I think citizens have to get out and do their own part. I think it's excellent.

Mr Rick Bartolucci (Sudbury): I'd like to introduce Ernie Parsons, who is our critic in this area and will be doing the majority of the questioning today. I will certainly want to ask just one question to Bryan and Bill, but before I do that I want to tell you that there's absolutely no question about the commitment of your organization to our community and to the kids. It is very inclusive. Certainly over the years your attendance at my schools has been wonderful in ensuring that there is complete and positive growth of the child, and then as they move on in life.

David Lepofsky, the chair of the Ontarians with Disabilities Act Committee, has said that this act is a weak act. He has offered 28 pages of amendments. Because you work directly and because you said you see the importance of being inclusive, would you suggest to the committee, and of course in turn to the government, that they adopt the amendments set out by people with disabilities across this province who have studied this legislation, who find weaknesses in the legislation, who want to ensure that it's a strong piece of legislation in its final draft? Would you suggest to them that they adopt the resolutions as outlined by the chair of the Ontarians with disabilities?

Mr Chapelle: When I look at it, they have a lot of concerns, and I can see it. Sometimes their needs aren't met at all. There are a lot of things that should be adopted in that paper. There are some things that should be looked at, though, and reviewed. There are areas that concern me. I think the biggest thing is financial. I don't care what government is in there, and the commitment, personally, I think it's going to take maybe, in my guess, about 10 years to implement everything. That's my per-

sonal view. It might be sooner, but if you look at how the system works—I know the biggest thing is that they want to be part of life. I've worked all my life and I've been fortunate. They want to be part of that community. They want to feel that self-worth. That's very important to them. And there are not enough avenues open to those people. So there are a lot of things, I agree, that should be in. There are a few things that should be reviewed and looked at a little deeper, in depth. I'm sure there are a lot of professional people—

The Chair: Thank you very much. Ms Martel.

1030

Ms Shelley Martel (Nickel Belt): Thanks, Bryan, for being here this morning. I'll probably make a comment more than actually ask a question. In fact, the bill doesn't have timelines for accessibility and it doesn't have an enforcement mechanism for accessibility. You might find some comfort in that, based on what you said, but my argument would be that because it doesn't, I think it really makes the issue of buildings becoming accessible—private sector, public sector, municipal, community buildings like yours—I just don't see where the end will be in terms of making sure all of these places are accessible for the disabled.

It does come down to the point you raise, which is finances. We are going to have to invest in our communities if we are going to help those groups who are trying to do as you were trying to do, make their buildings accessible. But the bill doesn't talk about financial investment in any way, shape or form either. So if we're going to move forward—and we have to—we really do have to be putting money on the table to make this happen. Otherwise, without enforcement, without timelines and without money, we're not going to see any great change.

Mr Chapelle: I agree there, partly. The government will have to put in more money, and industries. I think industries and companies have an easier time than charitable groups. I would envision us—between you and me and the fence post, if everything works out, I would figure probably in two and half years, maybe less. We're a frugal bunch, but that's not everybody. When we look in and decide to do something in the Sudbury branch, we lock in. So if we're going to raise another \$50,000, we do it.

The Chair: With that, I have to bring it to an end. We've run well over our time. On behalf of the committee, thank you very much for your presentation this morning.

MALIA DUBÉ

The Chair: Our next presentation is from Ms Malia Dubé. I would ask the presenter to come forward, please and state your name for the record. On behalf of the committee, welcome. You have 15 minutes for your presentation this morning.

Mrs Malia Dubé: Good morning, everybody. I am pleased to have been provided with the opportunity

peak to this committee today. I would like to share my thoughts and suggestions on the proposed legislation.

Bill 125 may indeed be the first step toward a barrier-free Ontario. However, there are certain amendments that will have to be made before this bill would have a positive impact on the daily lives of my family and myself. That's what I'm going to be talking about today.

There are three persons with disabilities in my family: my daughter, my husband and myself. We all have different impairments and we all have different types of barriers that if eliminated would make our lives so much easier. Within this one small group, there is so much diversity. My family is like a microcosm of the reality of the disabled community. I believe that it is extremely important that terms such as "disability" and "barrier" have as broad and inclusive a meaning in the legislation as possible. I am now going to describe some of the barriers that present the greatest challenges to myself and my family.

My daughter is 16 and she is a person with an invisible disability. The barrier which she has had to learn to cope with is invisible as well. It is the lack of sensitivity or understanding of what it is like to process information in a different way. We have had our struggles in the past with various institutions, organizations and individuals because of this lack of understanding. For example, we were told, "She'll grow out of it," when she couldn't read certain words like "what" and "there" even at the end of grade 3. She was also still writing her letters backwards, but we were still told she'd grow out of it. We have always told her that sometimes you have to try hard to strive for your dreams, and when others tell you that will never happen, you don't have to listen. My daughter's dream is to become a veterinary assistant.

In spite of many setbacks, my daughter is beginning to win her battle against the attitudinal barriers that at one point almost crushed her self-esteem. She will be integrated into two applied courses in high school in January. She is thinking of going to Cambrian College. She has a part-time job, and with a little extra training, she is now one of the most reliable members of the staff, according to her new boss.

The positive things all began to happen because I had an old computer which we had upgraded and were able to connect with the Internet. She found her job on the Net. She does all her school work on the computer. Now the teachers can understand what she has written. She has learned to read and spell with the help of a screen reader, which also assists me in my course work at university. So just one device, one piece of equipment, has helped two people achieve some of their dreams.

My husband is a relative newcomer to the ranks of an ever-growing population of persons with disabilities. He was injured at work and had to have three discs removed. He now suffers from chronic pain from osteoarthritis. The \$5,000 parking fine which has been proposed in Bill 125 may help him at some point; however, it won't matter where he parks the vehicle if he has to walk up several stairs to get into the building or open some heavy

doors or turn unyielding doorknobs. A barrier-free building makes things easier for both of us. Ramps are also more convenient for everyone, including my dog, who will choose a ramp over stairs every time.

The Chair: Smart dog.

Mrs Dubé: She does, too, especially in the winter-time.

Accessible doors are easier for my husband to open. If they are made wide enough, both myself and the dog are able to enter a building at the same time. We don't block traffic and we are both safe by entering the building at the same time. Accessible washrooms are great for people who use service dogs. The dog isn't out in the road in the middle of the traffic. She's with me and she's out of the way. Having an accessible building to go to can make chores like shopping a pleasure rather than a trial for both of us.

The barriers that present the greatest challenges for me are of three types: attitudinal, technical and financial. The most frustrating barrier for me is obtaining access to the written word. I am a fourth-year student at Laurentian University and the largest challenge for me over the past several years has been access to information. I need to be able to access scientific, technical and research publications in order to produce the high-quality work which is expected of students at this level of education.

1040

It is now much easier to produce material in alternate format. The Ontario government has made some progress in this area, but much more is needed. To achieve a truly barrier-free Ontario, all government ministries and programs must begin to provide information in alternate format.

For me, attitudinal and financial barriers are connected. I will be graduating in May. I know that I will be facing one of the largest challenges in my life: I have to find a job. The barriers I face are not really related to my blindness when it comes to finding a job; they are the attitudes about people with disabilities that unfortunately are still all too common in today's society. Status in society is measured by one's place on the socio-economic ladder. If there is one thing I would really like to happen in my life, it would be to get off the bottom rung. I want to participate fully in the life of the community as a taxpaying citizen.

I have tried to provide a snapshot of the everyday barriers faced by myself and my family in order to make certain points. Removing barriers will help several groups of people at the same time. Removing barriers makes good economic sense. The construction projects will provide jobs. A barrier-free environment would attract tourists with disabilities to Ontario. Best of all, a barrier-free Ontario would mean that most of us would have jobs, thus increasing the tax base in every municipality.

We, the experts, who face these barriers every day want to assist you in making Ontario a better place to live. Improving opportunities and being involved is only the first step. Provide the opportunity for persons with

disabilities to assist with the removal and prevention of barriers within a specific time frame. Provide the opportunity for persons with disabilities to assist you to develop the regulations, guidelines and mandatory standards that we need to be full citizens in this province. This is the type of opportunity and the type of involvement we are really looking for.

In conclusion, I would like to recommend that the amendments proposed by the ODA Committee be adopted. This will make the legislation not just be the first step toward a barrier-free Ontario, but a giant stride toward a better society for all Canadians. Thank you.

The Chair: Thank you very much. I'll allow a very brief question from each side. I'll start with the official opposition.

Mr Ernie Parsons (Prince Edward-Hastings): As elected officials, we often hear from groups or individuals who want special treatment. This is unique in that we're hearing from individuals who want to be treated like everyone else. They want simply to be on a level playing field.

If you've examined the bill, as I know you have, you know that "not mandatory" doesn't apply to private industry, doesn't include funding, has no timelines. It applies only to provincial and municipal buildings when they're upgraded, or new buildings. It doesn't even require that the province put Braille labels on elevators. I don't know how much that costs—but not very much. This bill won't even do that. If the bill is passed as it stands, without the amendments, how will it improve life for you and your family?

Mrs Dubé: Quite simply, to answer that, it won't make a difference at all. I don't know if I mentioned that in my speech anywhere, but no, it really won't have any significant impact on how we go about our daily lives.

Ms Martel: A comment and then a question. I've been in politics for 14 years, Malia, and I get very nervous speaking in public. You did a fine job here this morning and I wanted to let you know that.

Mrs Dubé: Thanks.

Ms Martel: Secondly, if it's not going to make a difference, if the amendments aren't included in the bill, does it make sense to pass the bill at all?

Mrs Dubé: Oh, you're putting me on the spot there. If you pass the bill the way it is, no, it doesn't make sense to pass it, but if you even adopt—and I'm qualifying this because, as I said, I recommend all the amendments that the ODA Committee proposed. There have to be at least some changes or it doesn't make sense. There's no timelines, there's no regulations. It won't affect our lives.

Mr John O'Toole (Durham): I would just like to thank you, Malia, for your presentation—very well delivered and a genuine story of how a family copes today. You were speaking of your daughter, who is 16 and has had problems for the last number of years, I gather, in terms of some learning disability. Clearly, we've heard repeatedly the issue of attitude. In your presentation today—and we've heard the voice of the people, some 60 presenters—one of the biggest barriers seems to be atti-

tude itself. It takes the courage of people like yourself to come forward and explain not just the big picture stuff but the reality of the changes you need for accessibility.

I liked the emphasis you placed on the key word "opportunity," because I really believe that the empowerment that comes with opportunity and—

The Chair: Question, please.

Mr O'Toole: This first step will provide a seat at the table, and I would like your response to that. It's coming down to the voice of the directorate, and the advisory committees will have a voice at the table, reporting directly to the minister.

Mrs Dubé: I would definitely like to be part of the process, providing that what we do on those committees would be looked at seriously and there would be regulations or standards in place to address the barriers once we've identified them.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

Before I ask for the next presenter to come forward we've had a request from Rachelle Proulx to address the committee this afternoon. I seek unanimous consent for 15-minute presentation after the last presentation this afternoon, which would be around 2:30. Agreed? OK, thank you.

1050

LAURENTIAN UNIVERSITY SPECIAL NEEDS OFFICE

The Chair: Our next presentation this morning from the Laurentian University special needs office. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee welcome. You have 20 minutes for your presentation this morning.

Mr Earl Black: My name is Earl Black. I'm the coordinator of special needs at Laurentian University here in Sudbury. I began my employment with Laurentian in 1989. When I started there, we had eight students. Now we have 240.

We try and work to make our buildings accessible but we're all taxed out too. We actually did an audit of our buildings and we worked out that the price would be about \$2 million, but that's really not much when you look at the total operating dollars of a big institution like that. What we've done is set aside X number of dollars each year to go toward access.

There's a quick story I'd like to tell you. I had a young fellow when I started there in 1989 who had cerebral palsy and was confined to a wheelchair. It took him seven years to finish his honours degree in economics. Six months ago, he called me and he's looking for work. In the cover letter he was putting out, he was mentioning "Could you mention to the employer to allow a little extra time for my transportation to get to and from work?" Not one of the resumés he sent out was answered. I told him, "Take that off your cover letter and just do a blind one." So that's what he did. He did a blind cov-

etter, basically talking about his credentials, and he got interviews, but when he'd show up for the interview, people's jaws would drop. In other words, "What are you doing here? You didn't tell me you're disabled." Here's a guy who's finished seven years post-secondary education, four years honours in economics, an 80% average, and he can't get a job. Something's wrong here. This guy wasted seven years of his life. Why didn't he just stay home?

That's the Ontario we have right now. I don't see things happening. I've been in a wheelchair for the last 16 years and now this bill comes forward. There was a three-page bill three years ago. I really don't see much difference in this bill. The three-page bill before was OK. We will take a look, we'll identify our barriers, we'll make recommendations," and that's the end of the dance. We're done. Everything gets shelved again.

I was on the Ontario Advisory Council on Disability Issues from 1990 through to 1995. All of a sudden we just got discontinued. We were no longer of service to the Ontario government for some reason. But you know what? Out of that, at least we got low-floor buses that are integrated in the community. We helped a lot with the assistive devices program to make it work more effectively.

We had the opportunity to get bills before. Before they would even come here, the advisory council would advise the government and say, "What's the matter with this bill?" "It's a proposal." "OK, here's a group of people who are visually impaired, people who have hearing impairments. They had input into this bill." That doesn't happen any more. How come? I don't understand. For some reason, we just got shut right out of the picture. In my last several years, we've been put on the back burner by every government there is, and that goes for all levels. I'm not taking sides or anything; I see it right across the board.

Anyway, this bill doesn't address older buildings, from what I see in it. As far as I'm concerned, it doesn't even address some of the new ones. For example, there's Tim Hortons that just opened down the street from me. My buddies and I would go for coffee at this new Tim Hortons that opened. They had some wheelchair spots to park in, but then when you come up to the door, you can't get in. You're waiting for the people inside and you're waving out there, "Can you come and let us in?" It's a brand new building. Tim Hortons does not sell enough coffees to pay for a door? I don't think so. The file is not there. There's no compliance to say, "If you don't put this door in, we're going to stop letting you sell coffee." Where in this bill does it say that Tim Hortons should do this? Tim Hortons will not do this until somebody tells them they have to do it. I've been around long enough to know that. That's the only way it's going to happen. There needs to be enforcement in this law. If there's no enforcement, it's useless. Do you know what it will do? It's going to create a bunch of assessments and recommendations and they're going to go on the shelf too, just like the Ontario advisory council did. Our

project took about two or three years to put together. It's called Workable. One hundred and seventy-five recommendations are there. A lot of them aren't implemented today. It's collecting dust, and so will this. All this bill will do if it goes through—and it probably will—is just collect dust once it's put together. And that's just the government. It's got nothing to do with the private sector. The private sector's actually just sitting on their hands.

If I want to get into Tim Hortons, I've got to go to the Human Rights Commission and file a complaint. I've done this before. I've been down this road many times. I'll go there and it's probably going to take about a year or so and then finally we might get our door in. That's going to be hemming and hawing back and forth, go to mediation, blah, blah, blah. You know what I mean? It's just a long road. We're just trying to get into buildings to have equal service. I'd even buy lots of cups of coffee there, I promise you. There are no mandatory regulations. These are just a couple of little examples.

Parking is a big issue in this bill. Do you want to borrow mine? Anybody? That's how easy they are. It's not going to matter. Why do we want to start charging people \$5,000 for parking in handicapped parking? That isn't the problem. The problem is these are used all over the place. Everybody is using them in their own vehicles. "Here, borrow my vehicle. You can park." You know what I mean? This needs to be looked at again. It's being abused. For the right people it should be used, but right now it's being abused. That's why we're lacking parking. Maybe there should be not only just a wheelchair one, but perhaps an ambulatory one for people who can walk a certain distance, and let the wheelchairs off closer to the front of the buildings. That's what I have to say about that one.

Education: I get many students who come to the university, and their parents, by the time they hit university, want to pull their hair out. They'll say to me, "OK, what are you going to do for our son or daughter to accommodate them?" I'll say, "What happened in high school, in grade 12 or 13?" "Well, they had this, this, this." I say, "That's what we're going to do," and they go, "Is that it? You mean we don't have to go through every class and make sure this is done for them?" I say, "No, that's my job." They sit back stunned with just relief on their face, going, "You mean I don't have to go fight with the principal or the next teacher?" "No." That person has a right to an education here, and under the Human Rights Act and our policies that have been introduced, they will get an education.

But then there are situations—like, we're taxed. Special needs offices are taxed right across the province. We've had no increases since 1989. For example, if you get a student like Malia, I can understand and I can see why there are not enough resources to put the information she needs in proper formats. That also leads to the fact that I don't see where any of this bill talks about electronic formats being accessible as well. That's the way we're going. Certainly technology has assisted us a

great deal and in order for us to progress forward, we need to also keep technology in this bill.

I'm just going to go through a few other things here. I notice this bill talks about—it's the same definition of "disability" as the Ontario Human Rights Code. It doesn't seem to be any different. There are a lot of people we know with fibromyalgia; also environmental disorders, just ill from non-medical conditions due to that. I don't see that in here. I think that's going to be a higher population.

You can just flag me when my time's coming up. Meanwhile I'll go on.

1100

There need to be fines in this bill. I'm talking about the architects who make these designs. I know at the university, I have to chase them. I have to follow up and see what they're doing. If they're not doing it, then perhaps maybe they should be fined. The contractor I think has some responsibility here. There need to be timelines to buildings being accessible, both in government and the public, but government's got to lead by example. I think the government of Ontario has got to begin first. Let's assess our buildings. Let's put some deadlines, though, on making these buildings accessible.

Timetables perhaps should be based on overall budgets of that ministry etc. For example, for a university, you would go by the overall operating budget of the institution. I don't expect, like the gentleman who was speaking before, that non-profit organizations all of a sudden knock down the barriers. I don't think anybody who has a disability—physical or whatever—would expect all these changes overnight. We just want some commitment from the government that it's going to be done. Then if it's not done, there has to be a deterrent, some type of compliance measure to say, "OK, you didn't do this. You had ample time to do this. Now you have to face the consequences."

Right now, as it is, the Ontario Human Rights Code doesn't work for us. It's case by case. What we want is a proactive law. Proactive law is good for everybody. My complaints now come when a power door breaks down in the university. Sometimes it's the multimedia centre calling and telling me the power door has broken down. That's so you can get all the AV equipment through and not break all your TV sets, and for people walking through with books etc. It's good for everybody. It's good for people with strollers. We have an older population coming to the university now and they don't have to push these big fire doors open any more. Isn't this what it's all about? We're all temporarily able-bodied anyway. Think about it. It's just a matter of time until you are going to wind up with some type of impairment and then you're going to say, "Jeez, I wish that was accessible." You have a chance with this bill to do it now.

I think that's all I have to say. I'm open to any questions.

The Chair: There's time for one minute from each caucus and I'll start with the third party.

Ms Martel: Earl, thank you for your candour here this morning and for giving us some concrete examples about what it means just to get into the new Tim Hortons and how ridiculous it is that you can't. I'm going to ask you the same question that I asked Malia. The ODA has put some recommendations on the table which would take us forward. If they're not implemented—maybe I can ask you two questions. If they're implemented, would that be enough, and if they're not, is it worth supporting this bill?

Mr Black: No and no.

Ms Martel: To both?

Mr Black: Yes.

Mr Carl DeFaria (Mississauga East): Mr Black, just want to correct one statement you made. You indicated that older buildings that are being renovated would not be caught by the act. Section 9 provides that when renovations are supported partly or wholly by government-funded capital, those renovations would have to comply with the accessibility plans.

The other thing is different sectors of the private sector. Section 20 talks about the Accessibility Directorate of Ontario. That directorate is supposed to "develop and conduct programs" and work with different sectors in the private sector, sector by sector, to encourage accessibility and develop standards on a sectoral basis.

The Chair: Question, please.

Mr DeFaria: There are a lot of things in the bill that would ask you to consider, whether that would not amount to a first step, something that we put in place and have the different committees work on different issues that would be addressed by regulations as time goes by.

Mr Black: What I see you having here is almost this Ontario advisory committee again. All this information usually goes to this advisory committee that's at the discretion of the minister. So then the minister wants, "OK we're only going to do this today. We're aren't going to do that." Do you know what I mean? This has to be a law that says you're going to do it.

The Chair: I have to bring it to an end. We've run out of time. Mr Parsons.

Mr Parsons: I've also appreciated your openness and candour on this. I think, as you understand, that this is fundamental human right that is being asked for. If in 1920 a provincial government said to municipalities, "We would encourage you to let some women vote," that would have been recognized as fundamentally wrong. There was a right there that had been denied, and you have had a right denied.

You are in a unique position in that I suspect there isn't a disability I could name that you could not put your face to, having worked with students over the years. In your years here and with the students you've interacted with, can you think of any who would benefit from this bill if it were passed without amendments?

Mr Black: No, sir.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

BRAIN INJURY ASSOCIATION OF
SUDBURY AND DISTRICT

ONTARIO BRAIN INJURY ASSOCIATION

The Chair: Our next presentation this morning will be from the Ontario Brain Injury Association and the Brain Injury Association of Sudbury and District. I would ask the presenter or presenters to please come forward and identify yourself for the record.

Mr Denis St Pierre: My name is Denis St Pierre. It is an honour to speak before the committee today on a subject that is very important to our entire province. I am here today representing the estimated 1,479 northeastern Ontarians who will sustain an acquired brain injury this year alone. I am also a director of the Ontario Brain Injury Association and work in the field as a professional with brain injury rotation. I am pleased to have Nancy Baron, a brain injury survivor, with me today.

To start, I want to relay a few facts about brain injury. Acquired brain injury is the leading cause of death and disability in Ontario for those under 45. A brain injury is an organic neurological disorder whereby the results can last a lifetime, even after intervention has been provided. Therefore, the symptoms are present lifelong. This means the problem does not go away.

In previous hearings, you've been made aware of the leading causes of brain injury. Here in the north we have a unique situation in that we have a higher rate of incidence compared to the provincial rate. The provincial rate is 1.9 per 1,000; ours is 2.1. The main contributing factors to this increase in our incidence rate are industrial accidents, specifically logging and mining, as well as the greater number of undivided highways we have in northern Ontario.

Brain injury does not distinguish itself by age, gender or socio-economic status. However, we have significant numbers of injuries related to alcohol consumption while participating in outdoor recreational activities, specifically while driving an ATV, a motor boat or a snowmobile.

As well, I must remind you that overnight, even today, this could happen to any one of us in this room—while at work, while playing, or even driving the kids home from a meeting or a school play. This is what makes a brain injury so significantly different: folks before the injury are normal and know a normal life, therefore they know their rights and what their needs and interests are.

Chances are that at least one person you know or work with or love has experienced the effects of this kind of injury, and you know that the effects are lifelong. As well, since no two brains are alike, it means no two brain injuries are alike, therefore rendering the problem even more severe.

Brain injuries cut across all disability groups. The nature of the damage, being global, affects multiple functions, therefore leaving survivors with physical, cognitive, language and behavioural impairments. It is very hard for survivors, family members, friends and employ-

ers to understand the one common deficit, which is, why has the automatic pilot shut off? Why can't things come as easily as they used to, like taking my bath, organizing my thoughts, processing information and everything happening simultaneously?

What I've been speaking about are the invisible deficits. These invisible deficits are huge challenges that survivors of acquired brain injuries have to contend with on a daily basis. Because they are invisible, often the brain-injured have been referred to as the walking wounded. They appear normal and we cannot see where the abnormalities are. Not only is the normalcy of their physical appearance deceiving, but the absence of these visible deficits and barriers creates a false sense of performance and need.

For example, presently I know of a young mother with an ABI who has to care for her two-month-old. Physically she appears without any deficits and the child also has no problems. The child is very healthy. In attempting to secure services for this young lady so she can care for her child, she has been denied services on the basis of mandates. She does not need help, nor does the child, but she needs help to schedule the feedings, the diaper changes, to remember the stove and remember to put the child down for a nap. No services are rendered to this young lady at this present time. Again I must emphasize that in this situation she needs help to care for another, rather than care for herself—once again, another invisible deficit.

Why are we here today? As you have heard from many of my colleagues across the province throughout the hearings, we are here because we want to be part of an Ontario that is fair and encompasses all individuals, so that everyone can have the opportunity to participate as fully as possible in all aspects of life in Ontario. Like many other individuals and advocacy organizations, we have been very much involved with trying to make changes within legislation.

Regarding the ODA, we would have been more comfortable if the plan had laid out explicit timelines for the removal of specific barriers. It would also have been comforting to have assurance that these timelines would be effectively enforced.

It is also imperative that the terms of reference for the advisory councils address the following: representation from a full range of disabilities, appointed by their respective provincial bodies; length of term of service; making sure the reports are made public, with a specific plan of action that is responsive to the issues and doesn't become a dormant government policy and procedure manual; the advisory councils be given the authority to identify any and all barriers and make recommendations for their removal.

To further illustrate the invisible deficits I've been speaking about, Nancy will tell us her story. Nancy is a survivor of a brain injury as the result of a sagittal sinus thrombosis with global damage.

Ms Nancy Baron: As Denis has said, I am one of the many brain injury survivors in the Sudbury area. Before

my injury three and a half years ago, I was a part-time university student in the field of psychology working full-time at a truck stop as a cashier, waitress and cook, as well as having a very active social life. I was driving and I had just come back from holidays the day prior to my injury. In essence, my life was very complete and very worthwhile living for.

Since my injury, I am not as much fun to be around as I am more irritable, especially toward my family. They are not able to tease me as I get angry very easily. This is on a constant basis. I used to laugh whenever anybody teased me; now that's not the case. I have lost many friends, meaning that socially I am more isolated, all because the people do not understand what brain injury means and think or assume it is an illness they will get since it is contagious. I can assure you, it is not contagious.

My attention is also affected so that when I ask for directions, I remember the first direction said, which is, maybe, "Turn right." That's the only thing. Ask me anything afterwards, don't remember. So in essence if I really want to get somewhere, I need to have somebody with me. It can be frustrating at times.

If I am sitting in a meeting or in a classroom, after a short period of time of about 45 to 60 minutes, I have lost what is being talked about. If I am writing notes from somebody who's speaking, I always have to ask them to repeat. It gets frustrating for everybody else in the room. To actually organize to have somebody take notes for me is very difficult because you never know when a teacher per se is going to give notes orally that you have to write down.

I need to be very organized if I want to be able to get through my day. I have to have everything written down so that I know what I am doing when I get out of an appointment. Even just taking the Handi-Transit, which is a service we have here in Sudbury, I have to know two days in advance what I will be doing. Nobody, in their life, knows 48 hours in advance what they are going to be doing. It means, for me, that I have to be extremely well organized. What happens when something happens the day of? Possibly I will not be able to get there. If you look at my Daytimer, my whole life is included in there, including what time I get picked up, how much medicine I'm supposed to take one day and so on.

When I am cognitively fatigued and somebody asks me something and I do not write it down, I will forget and I will not do what is asked of me. So I am always taking notes, which is extremely frustrating, especially when I am wanting to sit in a conference or presentation and be able to remember what has been said. Usually, in that situation, my memory is good for about 45 to 60 minutes, again, because I'm not fatigued before that time.

I no longer work as I get tired very easily, so my schedule has to be very flexible and have time to rest in the afternoon to be able to get through the evening. You don't see that in many people, but in my case this is something I have to do on a daily basis. I am 26 years old. That's not normal.

I no longer drive, therefore I have to rely on people to take me where I need to go when I am not able to have Handi-Transit; very difficult to do and sometimes very expensive.

When I have too much stimuli around me, I get nervous and cannot function very well. For example, when I take the transit with my sister and I get to the downtown station, I will assume the bus I am to take is the one where all the people are lining up, which is not always the case. But I will not think of looking for the signs for the proper bus, because I get in a state where I just lose everything unless I have somebody with me. Then, if they're rushing me, it's even worse.

In essence, I was able to do all these things without any problem before my injury. I understand that if you look at me you see only my physical impairment, which is that I am walking with a cane, but there are also the hidden parts to my disability, which I have mentioned to you. They need to be addressed. These impairments can be addressed through educating the general public and businesses, as well as education and so on, so they can finally understand what I, as well as so many other people, am going through each day of my life.

Please help us, the brain injury survivors, to have a better life by lending support to make people aware of the effects of brain injuries. Finally, please support the recommendations OBIA is doing that you have heard through the public hearings, as well as today.

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Mr St Pierre: We would also recommend that local advisory councils include in their annual reports the barriers they have to achieving their goals. If additional supportive housing, home care, Wheel-Trans or supportive return to work is needed, there should be an ability for municipalities to say that the lack of funding is preventing them from implementing their plan. We need municipalities have the ability to fund additional services such as these?

A challenge we have, specifically in northern Ontario in dealing with this is with communities with populations under 10,000. The recommendation will be that these be addressed regionally. As you probably are very aware there are very many isolated communities in northern Ontario with fewer than 1,000 people.

We also want to bring the committee's attention to focus to the other types of barriers faced by people with brain injury. I think we've spoken to the variety of impairments they have. It is cross-sectional as far as disabilities are concerned. Therefore, we are recommending that brain injury be classified as a unique disability category under the ODA. We urge the committee to revisit the definition under the disability act.

What has been noted is that people with physical impairments must contend with limited access to public buildings, businesses, transportation and recreation facilities on a daily basis. These barriers are readily identifiable and removable. The proposed ODA attempt to address the issue of physical barriers. Similarly, barriers for those with sensory impairments such as vision

and hearing are addressed in the act through the use of alternative formats. However, the barriers that are faced by people living with cognitive and emotional impairments are much more difficult to identify and address. We speak of attitudinal barriers that often exclude those living with these challenges, leaving them isolated and open to ridicule and abuse. We also speak of inaccessibility to services because their impairments don't meet the service mandates.

We recognize that this is an important piece of legislation. But how can you legislate attitudes and values? We don't find this is totally impossible. It can be done through providing the opportunity to provide comprehensive programs that address public awareness and public education.

In summary, the Ontarians with Disabilities Act attempts to address visible barriers faced by those with disabilities. It falls short of its goal of supporting the right of every person with a disability to live as independently as possible and to enjoy equal opportunity to participate fully in the everyday aspects of their lives without barriers, including the invisible barriers.

As a preamble, the ODA would be wise to include the 11 principles set out by the ODA Committee. We have not had enough time to fully analyze this bill, but have considered its implications. After a brief preliminary consideration, we recommend the following: (1) that the definition of "disability" must include brain injury in its description; (2) that explicit timelines be prescribed for the removal of specific barriers; (3) that the bill have an effective mechanism for enforcement; (4) that the role and authority of the advisory councils be defined and its reports made public, and that the disability community have meaningful input; and (5) that the bill make provisions for the allocation of resources to raise public awareness and education of the issues faced by those with disabilities. The goal would be to foster greater understanding, influence attitudes and work toward the reduction of these attitudinal barriers.

A barrier-free community is a minimum goal to full participation of the disabled in society. Through effective regulation and mandated co-operation with the private and public sectors, the ODA could help in order to deliver broad public awareness and understanding of cognitive and behavioural disabilities and eliminate barriers for these individuals.

I have a really brief anecdote or story. I know we are talking about money, and companies are usually based on how much money we're making or losing. We've made an analogy between a company and the brain, how the brain works. If you'll give me a second, I'll read this out to you. Again, it's a very simplified analogy. It helps to understand how the brain works if you think of the brain as a company. The company runs at peak efficiency when all the parts are working. Up at the front of the company—we call them the frontal lobes—are several vice-presidents. They make the plans for the company, they decide who's going to do what and when. As things get underway, they get feedback or information as to how

well things are going and they judge it: "That looks good; that doesn't look so good." They make further decisions—changes—and show appreciation or annoyance. So up at the front you have the planning, organization, decision-making, judgement and appreciation.

In the middle, in the parietal lobes, are the managers. Each manager runs his own department. On the left side of the brain you have the speech department, which moves the tongue, lips and throat. The language department finds the words that you want and knows what the words mean. Then you have the motor department: move the right arm, move the right leg. On the right side is another motor department—move the left arm, move the left leg—and a spatial reasoning department—find your way around a building, know where you're going to drive the car and place things. Also, we have the music department and a few incidentals. The right side is the picture side and the left side is the talking side. Now, the managers know what the plan is from the vice-presidents and they make sure it gets carried out. In order to do this, they communicate frequently with each other and they send messages back and forth.

At the bottom, in the limbic region, in the basal ganglia, are the workers. They don't know what the plan is because they don't get it from the vice-presidents, they get it from the managers. But they know their job and they do the same job day in and day out: things like appetite control, need for water, need to eat, going to sleep, turning the tears on and making a face red, increasing your pulse.

What happens when somebody is brain injured—in this metaphor—is basically the company is constantly downsizing, constantly restructuring. Managers are away on vacation and don't come back. The information doesn't get passed on to each department and therefore it leaves each component with more to do with less resources.

What would your definition of this company be? A defunct company. Thank you very much.

The Chair: Thank you very much. There won't be any time for questions; you've used more than your time. On behalf of the committee, thank you very much for your presentation this morning.

1130

NORTHEASTERN ONTARIO REGIONAL ALLIANCE FOR THE DISABLED

The Chair: Our next presentation will be from the Northeastern Ontario Regional Alliance for the Disabled. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome.

Ms Joanne Nother: I can't get close enough to the table because there's a ridge. It stops my knees right about here. So bear with me if I have to do everything at kind of a distance, as long as the microphone can pick me up.

The Chair: Yes, I think we can pick you up.

Ms Nother: Is it doing it?

The Chair: Yes.

Ms Nother: Good, thank you.

Good morning. My name is Joanne Nother and I'm the chair of the consumer group here in northeastern Ontario. The name is the Northeastern Ontario Regional Alliance for the Disabled. We kind of like the acronym NEORAD. It sort of tells you what we do. Thank you for allowing me the opportunity this morning to speak to this piece of legislation. I have a few points that I'd to bring forward on our behalf.

First off, I'd like to say it is nice to see a piece of legislation directed at ensuring, or trying to ensure, accessibility throughout the province. First of all, though, I'm kind of concerned because when you call the legislation the Ontarians with Disabilities Act, it's a misnomer. If we're trying to name the legislation in comparison with what the Americans do with regard to the ADA, it is not a good fit. The Ontario legislation doesn't give us any more rights than we had to begin with. It just tries to ensure that the rights we are given through the Ontario Human Rights Code are effectively ensured and allowed and granted to us.

The legislation is a fair example of, as I said, an attempt at trying to allow accessibility and make sure buildings and such are accessible to all. But there are some concerns with that, and part of our concern is that the plan the government talks about with regard to creating accessibility really has no independent review. In fact, for the most part, there is no timeline on which to provide the review. It doesn't say to provide the review to anybody and there is nobody specifically designated to look over the review. There are no teeth in the legislation to ensure that the review, or the accessibility spoken about in the review and the guidelines, is going to be done, which leaves us in a really kind of an empty situation. You're preparing a review that is really going nowhere, so why should you even bother to do the review?

The legislation deals, for the most part, with Ontario government and agency buildings, which are fairly accessible and are easier to get into. It's easy to make sense of talking to individuals about accessibility toward those buildings because it is understood that the provincial government, as the administrator of the Ontario Human Rights Code, has to allow access to buildings to persons with disabilities. So, in keeping with that, we're going to be allowing granted access anyway.

Again, when we talk about advisory committees, they are wonderful but they need to have some kind of clout to not only review and look at, but who are they going to report to? Are they going to go back to the persons or individuals who wrote the plan or the review, and are they going to be able to ensure that anything's enforced with regard to the plan, in the same token as the provincial advisory council?

Two governments prior to the Conservative government had advisory councils for persons with disabilities. The NDP had one that they continued that had been with

the Liberal government; I don't know if there was one prior to that. I had the fortune, I guess, of sitting on the persons with disabilities advisory council for the province for a number of years. It was a nice council. We got together, we got to talk about issues in the province regarding persons with disabilities and what we could do in the province to make things better. We put out position papers and that sort of thing, but that was about it. It was really nice to get together and talk, but the council itself had no clout. It would forward the position papers and the results of our discussions to the minister or the assistant deputy minister in charge of the portfolio but it would stop there. They would never go anywhere else. They would be distributed among the disability community but any recommendations the community made were stopped. They never went any further than that.

It really looks good and it's nice to say that you have a council of persons with disabilities to talk about the issues and to suggest recommendations, but it really is useless if all you're doing is paying for them to get together, have a nice lunch and a nice little meeting four times a year. It would be much more effective if, in both this legislation and throughout any legislation, it talked about the provision that this council can address any other disability issue the government puts before it. If you're going to do that, give the council some ability to make recommendations that can be acted on, or at least ensure that the council is going to have some kind of say that will make some kind of difference. Other than that, as a member of a council that gets together to have a nice meeting because we haven't seen each other in four months, it's nice to be able to know that what you're saying is going to be heard and may eventually get acted on. That's important and I think it's really imperative.

The bill is good with regard to talking about accessibility and barriers. The problem we have is that barriers are not the same for everybody. I think that was referred to in the previous presentation. What is often a barrier for a person with a disability isn't a barrier at all for a person with a non-disability or a totally able-bodied person, for lack of a better term; I'm not going to use "normal." I'll use the example of flex-time. Flex-time is used by people who are able-bodied for, say, family commitments—they need the extra day or week, whatever, to do things—whereas a person with a disability may not have the choice of flex-time or not. They may have to because their disability is such that they need time to relax and rest; they can't handle five days full-time in a row, so they need that flex-time. Part of that is included in the whole systemic barrier issue. Those are things that have been done constantly over the years. It's just assumed that you can do certain things which are not a barrier to a person without a disability but are barriers to people with disabilities. There are plenty of those throughout human resources, throughout the employment world. I don't want to get into that any more.

Back to the legislation, our concern with the legislation is that it's nice, feel-good, mom-and-apple-pie legislation. Everything should be accessible. It's agreed

that provincial government and agency buildings—and it's wonderful to have the government say to the regular Employer, "Make your buildings accessible because it's a good thing you should do for the disability community," but again no enforcement. There is nothing in the act—no teeth, no bite—to ensure that buildings will be made accessible. It's fine to pay lip service, but my feeling is that if you're going to expect employers to do anything like this, you have to give them something in return. Obviously, the only kind of exchange the government and an employer can have at this point in time is a corporate tax cut. The government is always looking for an economic jump-start and businesses are certainly looking for something that they can use and have that will be beneficial for them, for the businesses.

I can't see, and we can't understand, why the government can't offer tax cuts to businesses that make their buildings accessible or increase whatever access, whether it be for a physical disability or a sensory or a cognitive impairment. Tax cuts should be allowed because they benefit everybody all the way around.

In conclusion, we basically think the legislation is a feel-good kind of legislation. It also may be a "last hurrah" kind of legislation. It could be the end of a promise where Mike Harris told us he was going to come through with a piece of legislation and this is the piece of legislation he referred to. It is not what we had in mind when the act was originally talked about. We hoped it would be more like the American act, but it doesn't give us any more than anything else.

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The proposed legislation encourages, it empowers businesses to make the buildings accessible, but there is no incentive for them to do so. The Human Rights Code has a provision that is called "undue hardship." What's going to happen is that if a business is told they have to make the building or whatever accessible, they will cry undue hardship. Undue hardship, as defined by the Human Rights Code, indicates that they can't afford to, don't have the money to do the renovation or to make the building or whatever accessible. That's acceptable by the Human Rights Code, except the Human Rights Commission would like for you to come in with a plan financially to tell them how you can do the renovations within a period of time, if you can pay for it over a period of five years or whatever. That would be great if the government could enforce what the accessibility review says, so that if the employer says, "I can't afford it. It's undue hardship," the government can say, "OK, you don't have to pay for it all now. Do it in stages," just so at least they can come forward with a plan to say, "Yes, the building will be made accessible. It may not happen tomorrow, but it will, at the end of three years or five years, be done." They will put forward a plan whereby it will show the government how it can afford that accessibility renovation within a period of time.

Basically, we feel the legislation is nice, but it is kind of feel-good legislation. At this point in time, it doesn't really give us anything more than we already have that is

guaranteed through the Ontario building code or the Human Rights Code. It's nice that the government is paying at least a little bit of attention to people with disabilities. I dare say that the group of people with disabilities, the disability community, is only going to get bigger. You yourselves know that the baby boomers are going to be the biggest demographic and will be the aging population. That aging population has a lot of disability attached to it, whether it be an ambulatory or a hearing disability, whatever. It is nice that the government recognizes us, to whatever extent, but it's nice to be able to ensure that something can be done about it.

The Chair: Thank you very much. We have one minute per caucus and I'll start with Mr DeFaria.

Mr DeFaria: Joanne, thank you very much for your presentation. I would agree with you if this was the end of the promise that our government made. That would be bad, but if in fact it's a beginning of a promise being kept, and if this legislation is followed by regulations that will really have an impact in the lives of people with disabilities, you must agree this will be a great day for Ontario.

Ms Nother: Yes, I would agree. Regulations that are tight and that have some kind of impact would be nice.

Mr DeFaria: You indicated that there should be a review of the measures that will be taken. Section 21 talks about this act having a mandated review every five years to see whether the programs are working or not. Is that a kind of review that you'd like to see?

Ms Nother: I'm still concerned because five years is a long period of time and I'd like a tighter review period. Five years is an awfully long time to ensure, and governments change in that period of time, things lapse. I'd like to see a shorter review period of time; perhaps three years would be much more recommendable.

Mr Bartolucci: Joanne, thanks so much for your presentation. I'd just like to follow up on the apple pie legislation. We know that the regulations will only sweeten the apples or make the pie a little hotter. The reality is, if regulations are going to be very effective, then I think the original legislation has to be sound. You've pointed out that it's flawed. If in fact this is a flawed bill—and I agree with you, and I think our party does—if they adopted the amendments from the ODA group, then the legislation would be strong so that the regulations would be meaningful. Would you agree with that statement?

Ms Nother: Yes, I would to some extent. If the government listens to the ODA Committee and adopts some of those items and beefs up the legislation, then we have some hope. Then, in effect, the regulations can be made tighter and then, yes, the legislation will be livable.

Ms Martel: Thank you, Joanne, for coming this morning. The government has said to many groups, I gather, that this is a first step and there would be much in the regulation for you to look forward to. If we don't include the private sector, if we don't say clearly that older buildings have to become accessible too, even those that don't have government capital in them, if we don't actually put some money on the table to make this

happen, do you see that there will be much in the regulations that is going to fix this?

Ms Nother: I don't think so, quite frankly, unless there is the direct incentive and unless the regulations can promise the private sector that there will be some kind of financial benefit to them to do this kind of change or make this kind of renovation. It isn't going to get done and I can't see a regulation enforcing that in any way.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

CANADIAN HEARING SOCIETY, SUDBURY OFFICE

The Chair: Our next presentation is from the Canadian Hearing Society, the Sudbury office. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Mr Bryan Searle: Good morning. My name is Bryan Searle. I'm the chair of the community development board locally for the Canadian Hearing Society. I also have with me Wanda Berrette, who will be speaking briefly following my initial comments.

The Canadian Hearing Society is a non-profit charitable organization which was incorporated in 1940. Locally, the Sudbury area office is responsible for providing services that enhance the independence of deaf, deafened and hard-of-hearing people throughout the districts of Sudbury, Nipissing and Cochrane. To that end we have offices in Sudbury, North Bay and Timmins.

The reality of access to service in northern Ontario is fundamentally different than it is in southern Ontario. The realities of access in northern Ontario are limited by major barriers that simply do not exist in the same way in southern Ontario: geographical barriers caused by distances and smaller population centres; linguistic barriers—the prevalence of francophone, anglophone and native language speakers, and, in the case of the Canadian Hearing Society, both LSQ, the French-language sign interpreting, and ASL, the English-language sign interpreting; economic barriers involved with the cost of travelling the distances, to southern Ontario for service in many instances or to major population centres because of the distribution of the population over the land mass; and social barriers, the attitudinal barriers which you've heard about already this morning.

Until very recently, simple basic sign language interpreting for health care issues, for example, was not something that hospitals in northern Ontario provided. It took the intervention of the Supreme Court of Canada's decision in *Eldridge v British Columbia* to wake the provincial health care providers up to their responsibility to ensure effective communication of basic health questions was made to deaf, deafened and hard-of-hearing persons. The provincial government is now working towards fulfilling that responsibility. But it took someone spending their own money, spending their own time—years of time—to go all the way to the Supreme Court of

Canada to get that simple right to be able to communicate to a doctor about, "I want to have chest surgery"; "I want to have heart surgery"; "My child has just been hit by a car." For that person to actually talk to a doctor, to understand what is being said, it took some individuals spending their own time and their own money to go all the way to the Supreme Court of Canada to obtain that right. That's not something that any hearing individual in our society would accept.

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Notwithstanding the *Eldridge* decision, no change has occurred with respect to access to justice. There is no requirement today that a police officer investigating a crime involving, or on receiving a complaint from, a deaf, deafened or hard of hearing individual obtain a sign language interpreter or make any significant effort to accommodate the individual. As a result, many abuses occur within the deaf, deafened and hard of hearing community that go unreported or uninvestigated because of the effort and cost associated with accommodating that disability. There have been cases reported to our local community development board where a crime as serious as a sexual assault has occurred and gone without proper investigation because the complainant was deaf.

The reality is that many of the access issues may be capable of being resolved on an individual basis by application under the Canadian Charter of Rights and Freedoms or under the Human Rights Code. The problem is that that takes too much time and for the majority of the disabled it is outside their pocketbook. It is only the high functioning and high-achieving disabled members in the community who can afford or have the personal will to proceed with those applications, and even then, in most instances, it occurs on a one-case-by-one-case basis. It is not across a whole spectrum of business.

I applaud the government for taking the initiative with Bill 125 to address some of these concerns. It is helpful to require government ministries to develop annual accessibility plans and to make those plans public. It is helpful to establish the Accessibility Directorate of Ontario to advise the government and to educate the public. It is helpful to engage the various sectors of our community in establishing accessibility standards.

I am, however, left with some real concerns unanswered. There is no real mechanism for the enforcement of those standards which may be identified. If the disabled, deafened and hard of hearing, in particular, are to be left with the right to make application under either the charter or the Human Rights Code, then the bill does not go far enough.

The people of Ontario need a cost-free mechanism to ensure that access in accordance with the standards developed is enforced and that mechanism needs to include a power to make orders that the standards be adhered to. The current version of the bill does nothing to assist the disabled to enforce their right to access in a timely and cost-effective manner.

Currently in Sudbury, for example, deaf, deafened and hard of hearing individuals cannot be assured that the

local building authority will enforce the requirement of the building code as it relates to the implementation of hearing assistive devices in newly constructed buildings. There have been instances of occupancy permits being issued for buildings which failed to include FM systems to assist the hard of hearing and the building officials after refusing to issue work orders to correct that defect.

In addition, the local college program for interpreters is underfunded and threatened with closure. We have a difficulty at the Canadian Hearing Society local office, not being able to have one staff LSQ, French-language sign interpreter, and no staff ASL, English-language sign interpreter. The problem is that it becomes very difficult to attract people in such high-demand positions to northern Ontario. They don't want to be faced with the geographical barrier of servicing people from Sudbury, North Bay and Timmins. It becomes even worse when you consider moving up toward Thunder Bay, where you're dealing with a land mass the size of France and it's being serviced by one office.

The opportunity exists to give the appropriate powers to the Accessibility Directorate to enable it to ensure that the identified barriers to access are removed. This opportunity should not be wasted.

The essential elements in the bill that are missing, in my view, are simple. It needs to have an easy, inexpensive, effective and timely method of complaint and enforcement; a timeline within which accessibility standards are to be met; and it needs to apply equally to all Ontarians, not simply to government agencies.

Ms Wanda Berrette: A lot of deaf people in this province use ASL as their primary language of communication. That is what we consider our first language. English is our second language. We depend on physical cues and facial expression to communicate effectively. Written English is less effective, especially when we're talking about official documents and official meetings that are in a sophisticated government format that we have difficulty accessing because of that being our second language.

The second issue is interpreters in the north—developing education. If we need an interpreter, it might take two or three months before we can get an interpreter for a medical appointment. Also, we require that interpreters be certified and also follow a code of ethics. If deaf people want to increase their education and follow up with post-secondary, often they're not allowed to do that because there are no interpreters available.

People who are deaf depend on Bell relay service to make phone calls to communicate with the hearing community. So if I want to speak with a person regarding my child or whatever, it might take 30 minutes before I can get through to a Bell operator—very frustrating. It is also very frustrating to have to communicate through a third party on the telephone.

Visual aids: for example, in the building that we're in right now, there are no visual fire alarms. Many buildings may have very small visual fire alarms that I would never see if I was looking at a paper or had my head bent to

write a note. We need strobe lights that are very visual and that would bounce off the walls.

Many people who are going to labs or to the doctor need to pull a number in order to get served. Deaf people have to watch very carefully to make sure that their number is not called and they haven't been missed. One good example to rectify that situation would be to have a visual number board so that we would be aware of which number is up and we wouldn't miss our turn.

I had a situation where I was waiting for a plane and I was travelling with a friend. I was in the airport and my name was called for some reason. My friend told me that I was being paged. So I went to the front desk and I said, "I am a deaf person and I don't always travel with a hearing friend. When you're calling me, I normally would not know that I was being paged. So please consider deaf people when you're making these announcements." I was lucky that time that I had a friend with me. But if I'm travelling alone or if a deaf person is travelling alone, there is no way for us to be paged. There should be a visual system whereby a person could be paged through an electronic board.

Building codes should include accessibility to all disabled groups. I went to visit a friend of mine in a hospital who is also deaf. A nurse came by and all the doors were closed. We were not told why the doors were closed and we were locked in the hospital room for a long period of time without any explanation. We were just told to sit and wait. We were there for 10 minutes, then 15 minutes, and then finally I opened the door to find out what was going on. When I opened the door I was told to get back in the room and close the door. I said, "No, it's time for me to leave," and they said, "No, you must close the door and wait." So I went and I waited another 10 minutes, without any communication or information about what was going on. In the end, they opened the door and they said that there had been a fire in another part of the building so they had to lock up each department and each room. All the patients were sitting there, and we had no idea what we were waiting for.

In terms of public pay phones, the desk that's provided on a pay phone is slanted, so if I brought my own TTY to use a pay phone it would slide right off. Also, there's no electrical outlet for me to plug my TTY into a pay phone. It would be very difficult for me to work a TTY on a pay phone with the slanted table because it would keep sliding. I would have to hold it; plus, I would have no place to plug it in. Sometimes there are public phones that have a small table accessible for people in wheelchairs, but it's so low that a deaf person using their TTY on that little table would have to bend right over and it would be very uncomfortable for them to use that table. It's been very frustrating to try and use public telephones.

I recommend to the government to invite members of each of the disability groups to the table so that you can receive feedback on specific differences between the disability groups as well as the differences that we experience between the north and the south. Deaf, hard of

hearing and deafened individuals will know our own issues, but we will not know the issues of mobility impaired individuals, nor will they know ours. It is important that you consider each of our feedback separately. That's all I have to say.

1200

The Chair: Thank you very much. Does that complete your presentation?

Mr Searle: Yes, it does.

The Chair: We have approximately a brief minute per caucus and I'll start with the official opposition.

Mr Parsons: Thank you—an interesting presentation. I would comment on the public telephone issue. There are public TTY machines available. At Detroit airport there are 15 in a row. In all of Ontario there are six.

Ms Berrette: That's wonderful about Detroit. Where is that? Detroit airport.

Mr Parsons: I represent a riding that has Sir James Whitney school, so we have a very high population who are hearing impaired or deaf or deafened. Within my community they have an unemployment rate of about 90%—good people who can't even get an interview because they must book an interpreter two weeks ahead. I hear you are talking two or three months ahead here. We have incredibly talented people unable to work because they can't have an interpreter for it. Yet we're seeing in Ontario a cutback in the number of training positions for American Sign Language interpreters because of a lack of funding. We're going backwards rather than forwards.

What Ontario has to grasp is there aren't people with disabilities, there are families with disabilities. We do not go to a theatre now because unless my wife can read the lips, she can't hear what's going on. So none of us goes.

Is there anything, absolutely anything, in this bill that would better the life for an Ontarian who is deaf, deafened or hearing impaired?

Mr Searle: The only advantage that I see—and I speak from the point of view that aside from being on the board I'm a lawyer—is that perhaps the fact that they've identified accessibility issues and made those public, that may make charter applications or Human Rights Code applications easier for those individuals who have the funds and personal will to do that. Unfortunately, the funds and the personal willpower to do that against a government run pretty short in the disabled community.

Ms Martel: Thank you, Bryan and Wanda, for coming today. My question is this: the government holds out the promise that there will be much in the regulations that would be worthwhile and would represent a step forward. Do you feel comfortable that you are essentially working with a bill that obviously you've taken the time to read and you're not sure what's going to be in the legislation, and that you should go forward with that and hope there's going to be something that will make this better for the people you represent?

Ms Berrette: I'm not confident. First of all, the bill is very vague, unclear. So that needs to be clarified, that needs to be improved on, to start with.

Mr Joseph Spina (Brampton Centre): Thank you, Bryan and Wanda. We appreciate the input. Bryan, your part of the submission you talked about enforcement mechanisms for the hearing disabled, and I think Wanda referred to a couple of examples maybe with strobe lights and so on that could be used for fire alarms etc. You mentioned that there can be some inexpensive, efficient mechanisms for enforcement, and I wonder if you could explain that or elaborate on it, because it certainly would be of interest to look at those.

Mr Searle: I think my comment was that's what the bill needs. It needs an inexpensive mechanism for a person who is complaining. I guess my preference would be—

Mr Spina: A complaint procedure, you mean.

Mr Searle: That's right.

Mr Spina: I understand now.

Mr Searle: It needs something that's perhaps a combination between an Ombudsman and the Human Rights Commission, where you have someone who is going to be active on behalf of the disabled to ensure that those standards are met in a timely fashion.

The Chair: We've run out of time, Mr Spina; I'm sorry. On behalf of the committee, thank you very much for your presentations this morning.

Before we break, lunch will be served in room 1400, I guess. I'm going to give you the instructions. You take the elevator or the stairs to the first floor; down the ramp to the fourth or fifth door to your left, and it says "Dining Room." The staff is also invited.

The other thing I would like to raise is on the clause-by-clause issue that I asked about last night. Have you reached a decision on this?

Mr Hardeman: Mr Chairman, we just had a very quick discussion, but Mr Parsons wasn't here yesterday. So I will discuss it with him during the lunch hour and hopefully we can get back later.

The Chair: Then you can report back later. Thank you very much. With this, we are recessed until 1 o'clock.

The committee recessed from 1206 to 1300.

CENTRE FOR ADDICTION AND MENTAL HEALTH

The Chair: If I can get your attention, I'd like to bring the committee back to order. Our first presentation this afternoon is from the Centre for Addiction and Mental Health. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Mr Paul Kwasi Kafele: Good afternoon. My name is Paul Kwasi Kafele. I'm the director for corporate diversity at the Centre for Addiction and Mental Health. Joining me today for this presentation will be Leanne Robson, who's a recreational therapist at the centre as well as a consumer-survivor. She'll be providing

personal story that's very much connected to the reason why we're here today.

The Centre for Addiction and Mental Health is the largest mental health and addiction institution/facility in Canada. It's an amalgamation of four main health institutions: the Donwood treatment centre, the Clarke Institute, the Addiction Research Foundation and the Queen Street Mental Health Centre. The centre is recognized internationally for its research work. We're affiliated with the World Health Organization and we're focused on prevention, care, education and research. At the centre, we have a very strong commitment to diversity. Diversity has been a significant organizational thrust over the last while. Under the diversity umbrella, disabilities are a very important priority. We're strongly committed to providing the resources to organize policies and to ensure that we have an environment that is free of stigma, that provides accommodation and support for people with visible and invisible disabilities, both with respect to our staff, our clients and our stakeholders who use our facilities.

This issue is of critical importance for us. Last week, we had a forum on visible and invisible disabilities where staff expressed substantial concerns about the ODA bill and its implications. We felt it was imperative for us to be here to add our voice to the litany of concerns you've been hearing.

We are perturbed, first of all, by the process that has been engaged to date, that Bill 125 has been introduced and sent to committee hearings in less than one month. We're not sure why this unseemly haste is necessary. For example, we had at least 100 individuals and organizations in Toronto who would have liked to present earlier in the week but could not get on the agenda. We have come from Toronto because we felt it was important for us to be here. We understand as well that there will be a clause-by-clause review as early as next Tuesday and we're wondering what that means, how feasible it will be for you to review the various recommendations and submissions made to you over the last while and substantively change this bill within the next few days. This is an implication that these hearings actually are not as meaningful as they ought to be.

We have not had a lot of time to prepare substantially a more comprehensive review of the legislation, but we essentially respect and support the submissions that have been made by many organizations. We essentially have four things we want to talk about: the definitions in the bill require amendment if they are to reflect the range of disability issues for people suffering from severe mental illness or substance abuse issues; Bill 125 does not impose requirements on private employers or providers of goods and services and leaves this up to cabinet to do so by regulation; there are no remedies, either individual or systemic, included in the bill; no targets are set for achievement of accessibility plans, nor are there consequences for non-achievement of accessibility plans. This is not new. We've been hearing since we've been here

this morning and from other colleagues consistently these very messages.

The definitions in the bill are both vague and limiting in that they do not reflect the experiences of people with mental illnesses and addiction issues; nor do they take into account the complexity of disability issues and the unique nature of the experience of each person with disabilities. While we commend the minister for including "mental disorder" in the definition of "disability" and for including "attitude" as a barrier, we strongly endorse the recommendations of the Canadian Mental Health Association, Ontario division, with respect to proposed amendments to these definitions contained in the bill.

As a public hospital, CAMH would have obligations under this law. While the centre is working toward being a barrier-free employer and a provider of care, education and research, we know we have more work to do. We support the notion of holding public agencies accountable for ensuring a barrier-free workplace and delivery of services for people with all types of disabilities and those who have multiple disabilities. We are prepared to endorse changes to the legislation that would include clear accountabilities for those who do not live up to their obligations according to the legislation, including our organization.

We believe people with disabilities need to have the opportunity to work, to get back to the working way, for example, after an accident or an illness that leaves them disabled, in a manner that is barrier-free and effective and appropriate.

I want to ask Leigh to talk about some of her personal experiences as a consumer-survivor with those barriers to really bring to life some of the issues we are talking about.

Ms Leigh Robson: As Paul said, I'm here to put a human face to mental illness. Mainly for myself it has been depression. I suffered a severe post-partum depression when my son was born five and a half years ago. I was hospitalized four times over two years for depression. I also had ECT, commonly known as shock therapy. It's not like *One Flew Over the Cuckoo's Nest*, just so you know. It was done in humane ways. My depression was so severe, it required me to move from the small town of Prince George, BC, to Toronto—Toronto because that's where my family was. Also, there were not adequate services to provide me treatment, the type I needed to recover.

I heard voices. I was very suicidal. At one point, I could not even make a tuna sandwich. You probably find it hard to believe that I can sit here in front of you today, but that's reality. Also, when I was in hospital, I was so fatigued and had so little energy, I had to be pushed around in a wheelchair. How many people realize that mental illness can also cause you to have physical problems?

In total, I was out of the workforce for three and a half years. Fortunately, the centre has a program called the work adjustment and employment support program, and that was my lifeline to get back to work. If a program

such as this did not exist, I really don't know if I would be sitting in front of you today. A program like that is not legislated under law. Employers do not have to provide such services, whether they're in the public or the private sector, to help people with disabilities get back to work. Work is a vital part of my recovery. It has made me a whole person again.

I want you to really understand how important it is to be able to remove barriers. If you want to talk about removing barriers, that's another thing where we feel the focus is on accessibility issues and not enough time is spent on removing barriers. Not having programs and things in place for people with disabilities does present a barrier.

1310

Let's also talk about stigma, which is a massive barrier for people with substance abuse and addiction and mental health problems. As Paul mentioned, I work for the largest public facility in Canada that treats addictions and mental health issues, and I was afraid to tell my employer I have a mental illness. So can you imagine what someone in the private sector would go through? We cannot expect, without there being some type of enforcement in this legislation, for people out of the goodness of their hearts to come along and create programs and remove barriers. Maybe in an ideal world, but unfortunately we don't live in an ideal world. I wish we did, but we don't.

In terms of the timelines, as a person with a disability I find it disrespectful and offensive that you are trying to put this legislation through as quickly as you are without proper input from all the stakeholders there are. The timeline is preposterous. Also, in terms of support with work, I have a family. I have a son I have to support. I have a husband as well. If there weren't things in place to get me back to work, I would be someone who would be relying on the public system. It's very important to encourage people with disabilities to get back to work.

One thing you should know is that depression is the second-most common reason for people to visit a doctor. Number one is blood pressure problems. That's how widespread it is. Also, many physical problems are accompanied by depression. They turn into depression. It's related to whatever physical problem a person has, especially things like chronic pain, fibromyalgia, those sorts of issues. It's very important to realize that you're not just dealing with a single disability, you're dealing with multiple disabilities. I have also heard that with acquired brain injury clients there's a large proportion who turn to alcohol or drugs to cope. As a result, not only do they have acquired brain injury, they also have an addiction problem.

That's about all I have to say. I guess we'll turn it over for questions, unless Paul has anything else to add.

Mr Kafele: Thanks, Leigh. I just want to conclude by saying we need a process that's adequate. There's lots of good advice on how to improve the bill. We need to listen to people. We need to make sure participation from representatives from the disabilities community is real and meaningful and we need to take the input seriously.

We need to leave a legacy that really is a signal that our province is forward-thinking, progressive, inclusive and insightful. The bill in its current form, in our view, does not do these things. We have many miles to go before we sleep.

The Chair: We have a minute and a half per caucus, and I'll start with Mr O'Toole.

Mr O'Toole: Thank you very much for your presentation. I'm sorry I wasn't in the room, but I do have some background notes on the issue and I did listen. I respect your views. I would say, though, that since 1995 and before there have been considerable consultations ongoing, even with the ODA etc. It's a huge issue. It has been talked about for at least 10 years that I'm aware of and there's been some difficulty in finding a balanced piece of legislation by many governments, I might say, so I won't get too far down that road. But we've heard from almost 70 presenters and I'd say there is a uniformity in the responses. There are about five categories that I have heard and I would ask for some response—I'll make one more remark—with respect to defining barriers as they apply to mental health.

The other one is sort of a response in terms of your employer not taking avenues of recourse or access. There are requirements today for much of that to happen. I just want to put on the record that the Ministry of Municipal Affairs and Housing has just recently launched a consultation on barrier-free access as it would affect—

The Chair: Question, please.

Mr O'Toole: I'm not sure if you're familiar with that, but if you'd like to take a minute to respond, we'd appreciate it.

Mr Kafele: I assume that this legislation would have some overarching responsibilities for specific disability concerns and that the building code laws will be connected and probably subsumed by those. But I think the framework in terms of accountability—penalties, timelines, incentives and so on have to come through this legislation.

Mr Bartolucci: Paul, I want to thank you very much for your presentation. Leigh, it takes a great deal of courage to give personal histories. Certainly, you join today Malia, Nancy and Wanda, who have given compelling testimony. We heard Malia say that the ODA amendments should be incorporated. We heard Nancy say that the Ontario Brain Injury Association amendments should be listened to, and you and Paul have said that CMHA amendments should be listened to.

In your estimation, both you and Paul, would the best thing the government can do be to withdraw this legislation, have full consultation, come back with a bill that meets the needs to ensure that in fact Ontario will be a barrier-free place?

Mr Kafele: We definitely need to pause and look at the implications in terms of not only credibility but legacy if a flawed bill goes through. We have overwhelmingly heard from people that we need opportunities for better input. A bad bill leaves a wrong kind of legacy. We have the opportunity, commitment and

goodwill from a broad cross-section of stakeholders. We need to do it properly. We need to be as, I would say, forward-thinking as we can be in making sure we leave a legacy that is meaningful for all Ontarians.

Ms Robson: I don't understand why, if things have been worked on since 1995, that there are so many people who have problems with this bill.

Ms Martel: Thank you very much. You've come a long way to be here today and we appreciate your participation. You said that a bad bill sends the wrong message. I have two questions. Are you convinced then that that's what this is? Secondly, do you hold out any hope, take any comfort or want to participate in a process that, as the government claims, is a first step forward where much of the regulation might make it better? Is that where you want to go?

Mr Kafele: Not really. The regulations are informed by the bill. The bill has to be framed properly so that the regulations can be as effective and as appropriate as possible. If we don't have the foundation, the decorations won't be as effective. We need to revisit the bill because, as a structure, that will really lead and inform the deliberations around how the regulations get developed. That's where we think we need to start.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

1320

SUDBURY DISABILITY COALITION

The Chair: Our next presentation is from the disability coalition of the city of greater Sudbury. I would ask the presenter or presenters to please come forward; if you could state our name for the record. On behalf of the committee, welcome.

Mr Richard Sawicki: Thank you very much. Bonjour; good afternoon. My name is Richard Sawicki and I am here today representing the Sudbury Disability Coalition, a group made up of providers of disability services, people with disabilities and concerned citizens.

I would like to first thank you for allowing me the opportunity to come before you today to bring the concerns of the Sudbury Disability Coalition. I myself have been living with multiple sclerosis for 13 years. As you probably know, MS is a disabling disease of the central nervous system.

This presentation was written with input from people with disabilities during a community forum, in collaboration with members of the Sudbury Disability Coalition, as well as adding my own perspective as an individual who has been disabled for most of his adult life.

In principle, one cannot dispute being in favour of the proposed legislation. I want to thank Minister Jackson for bringing forward this legislation. However, as with other proposed legislation and programs, some flaws do exist and some questions remain unanswered. This is why I have decided to come forth today and do a presentation. The questions that I will pose and the points that I will

raise today are of specific interest to Sudburians living with a disability.

The establishment of the Accessibility Advisory Council of Ontario and of an accessibility directorate are positive aspects of the proposed legislation. However, it is unclear whether or not these two offices will have any significant role or authority to ensure compliance with the legislation. There should be a strong infrastructure established to ensure that there is compliance with the legislation as well as clear sanctions for those who do not comply with the legislation. There should also be an efficient and effective process put in place to allow individuals who wish to put a complaint regarding a non-compliance issue. The complaints process should be able to move quickly through the system in order to avoid the backlog experienced by individuals going through the current Ontario Human Rights Commission.

The government is to be commended for attempting, through this proposed legislation, to make the public sector barrier-free. In doing so, the government will have to ensure that all public sector information be available in alternate formats—for example, Braille, ASL and LSQ interpreters, captioning and low literacy level—simultaneously for all Ontarians regardless of their abilities or disabilities. As well, all public sector and broader public sector agencies and organizations should be included in this legislation. Some barriers within the public sector that some individuals have experienced are, for example, deaf individuals waiting with a number to access a hospital service that does not use a visual system. The person loses his or her turn because they cannot hear when their number is called. Likewise, if a deaf individual living alone goes to the emergency department to treat an urgent health matter, they face a communication barrier because there are no interpreters in the hospital.

The education system should also be included in this legislation. For example, students with disabilities, whether it be mobility, visual, hearing or learning disability or mental illness, need accommodation—for example, more time to write an exam, receive information in alternate formats—such as Braille, voice-activated, ASL or LSQ interpretation, captioning, low literacy level—to ensure that they can receive an equitable chance at succeeding within the mainstream public education system. For some children, such as deaf children, being integrated within the mainstream system is a horrifying experience given that it denies them their deaf culture and their first language, which is sign language.

In order to make Ontario truly barrier-free and an equitable place for all Ontarians to live, work and play, it is imperative that the legislation include the private sector. People with disabilities go to movie theatres, restaurants and doctors' offices more often than they go to a government building. From an economic perspective, it would be common sense to have the private sector involved. By becoming barrier-free, businesses could increase their client base—ie, the elderly and people with disabilities—as well as increase its pool of potential

employees. A barrier-free Ontario means removing all barriers, not just the physical barriers.

There should be information brochures available for restaurant and retail business owners to educate them on how to make their locations barrier-free; for example, accessible washrooms, spacing between counters, aisles and tables, to allow for easier access.

Compliance with the building code for both public and private sector new and existing buildings and structures needs to be addressed within this legislation. There should be a time frame implemented to allow existing structures to become accessible. Barrier-free buildings would consist of space that would be physically accessible—for example, wide doors, space, elevators; audibly accessible—for example, FM system in meeting room space, visual signage, TTY telephone system, amplifiers on the telephones; and visually accessible—for example, Braille signs and voice-activated signage.

The government may wish to consider offering time-limited incentive programs in the form of tax incentives or subsidies for property managers and business owners to encourage them to make their facilities accessible. A penalty would apply to buildings that are not made accessible after a determined period of time. If a building cannot be made accessible due to structural limitations or if the associated costs would be too high, then these businesses or organizations would be obligated to offer some of their services in alternative accessible spaces—for example, public library, community centre—in order to accommodate clients with disabilities.

In order to assist property owners, businesses and builders to build and renovate accessible structures, the government may wish to consider developing a guide or brochure that would outline the requirements of the building code and ideas on how to make their space accessible—for example, what issues to look for and how to get accessible equipment.

There should be stronger enforcement provisions for non-compliance in the building code. For example, the municipal bylaw enforcement officer who enforces the building code should be given authority to levy fines similar to those in the proposed legislation for parking in a designated accessible parking spot.

An important aspect of the implementation of this legislation will be public education and awareness. It will be imperative that an effective education component be added to ensure that the public is aware of the issues facing people with disabilities and the importance of making Ontario barrier-free. One way to carry out the public education component could be to integrate it within the public education system. Young school-aged children often do not yet have prejudice and are often referred to as sponges for learning new ideas and new things. Children can also be used to educate their parents and older siblings. Why not incorporate some Braille reading or sign language workshops so that children could learn to communicate with deaf or blind individuals?

In northern Ontario, the pressing issues to ensure that Ontario becomes barrier-free consist of lack of ASL and LSQ interpreters, lack of choice for services, and lack of accessible transportation, especially for rural areas.

In conclusion, once again I would like to thank you for your time and would be pleased to entertain any comments or questions regarding my presentation. *Merci beaucoup.*

The Chair: *Merci.* We have approximately a couple of minutes per caucus, and I'll start with the official opposition.

1330

Mr Bartolucci: First of all, Richard, Jim Bradley says to say hello again and that he misses you. He told me all kinds of good stories; great stories, in fact.

When you and Malia came to my office, we discussed the legislation rather briefly because we were trying to get on the committee in order to have you make your presentations. You spoke of wanting to be very, very proactive in your presentation. I think you have. You've offered the government opportunities to improve the bill.

The reality is, if they don't accept some of the recommendations you've made and some of the recommendations the ODA Committee has made, what difference will this legislation make to you?

Mr Sawicki: Unfortunately, absolutely nothing.

Mr Bartolucci: OK. The government's probably heard that before. Knowing that, what advice or suggestions can you offer the government today with regard to the process? And let me tell you, they want to have limited clause-by-clause debate—we don't know what the time is going to be—and they want to have limited third reading debate. Knowing that, what suggestions regarding process could you make to the government?

Mr Sawicki: The only suggestion I could make would be to scrap the bill and then start with consultations with the disability organizations, particularly the ODA Committee, and getting consultations through them and drafting up a new and strong bill that has teeth.

Mr Bartolucci: Thanks very much, Richard.

Ms Martel: Thank you, Richard, for being here today and for staying all day.

On page 1 under the compliance measures, you noted that the establishments of the Accessibility Advisory Council and of the directorate were positive aspects of the proposed legislation. If there were no changes, would those two things provide a difference in your life and would the bill, with those things in it now, be enough to support?

Mr Sawicki: No. Again, they're advisory councils, and I think we heard before that a lot of these recommendations just get shelved and they don't get followed through.

Another issue that I didn't mention there that concerns me is these advisory councils in these communities. What consistency do we have from different communities as far as people on these councils dealing with all the disabilities we could have within a community? You could have different advisory councils advising to different

communities, different regulations or different suggestions. So I don't see any real strength in that. I don't think that there is any opportunity or anywhere in the legislation to have it carry on.

Ms Martel: In most northern communities there wouldn't be a population of 10,000, so you wouldn't have it in the first place.

Mr Sawicki: Exactly. That's another point too, actually. Yes.

Ms Martel: So for you, clearly, unless the government includes the private sector, has very clear timelines about present buildings in terms of accommodation, gives teeth to the council and to the committees, not just in terms of making recommendations but that those recommendations have to be followed up, provides very clear timelines and then imposes penalties, and also the complaint process—unless a number of those things take place, it's not going to change your life and in fact it's not really worth supporting. Would I be correct in making that assumption?

Mr Sawicki: Absolutely. Yes, you would be very correct.

Mr Hardeman: Thank you very much, Richard, for your presentation. It was very much appreciated, particularly pointing out where you believe that improvements could be made.

I just want to point out for the record and for your information that as we talk about the physical barriers in our buildings, and they are covered by the building code, in fact there is presently a consultation process going on through the Ministry of Municipal Affairs and Housing as to what needs to be changed in the building code to better meet the needs of the disabled community. They're doing an Internet-type consultation to get the view of as many people as possible, and the conclusion is January 25 to give everyone some time to have some input into that. I just want to put that on the record to make sure that you're aware of that and that you'll have an opportunity to put forward some of your positions.

The compliance measures that you spoke to: you suggested that we needed some process in place other than the Human Rights Commission because the Human Rights Commission takes too long and it's not useful to meet the needs of the disabled as they're trying to address one specific problem in the community. Do you think that another body needs to be set up to do that, or would you think that there is an ability to deal through the Human Rights Commission, with more resources or different resources and different emphasis? Would that be the type of body that you think would be needed to make sure we have compliance?

Mr Sawicki: It would mimic the same similarities as the Human Rights Commission, but it would be a separate body to deal with specific issues relating to people with disabilities. That would be ideal.

Mr Hardeman: I think Ms Martel questioned about the directorate for the disabled and the advisory committee, as to whether that would make any difference in your life today if only those two things were put in place

out of this act, whether that would be of assistance to you. Presently, if you have disabled issues that you need to deal with or that you would like some input on, do you have a place within government—any government—that specifically deals with those needs, that you could go to and say, "We need this done," or, "Can we have some advice on where we need to go from here? We know where we are. It's not the ultimate, it's not where we should be, and I think this is where we should be going"? Do you have that ability now or do you think this would provide that ability?

Mr Sawicki: This legislation wouldn't, but I think it would be a nice idea to have a body we could go to and talk to and explain. Right now, presently, if I have any problems or inaccessibility, I take it upon myself actually to take the actions myself, to write, to correspond. But the facility doesn't have to comply with what I say as a concerned citizen faced by a barrier.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

WEST NIPISSING

NATURAL RESOURCES ACCESS GROUP

The Chair: Our next presentation is from the West Nipissing Natural Resources Access Group. I would ask the presenter or presenters to please come forward and state your name for the record. On behalf of the committee, welcome.

Mr Alfred Levac: My name is Alfred Levac from Sturgeon Falls, West Nipissing. I represent the West Nipissing access group. I would like to thank the committee for allowing us to present. I'll start by reading this, and if you feel you would like to ask questions after I'm finished, I'll be ready to answer any questions.

Many residents of West Nipissing are avid hunters and fishermen who have traditionally enjoyed excursions in the region of Temagami, which includes Obabika and the access roads off Highway 805. Entrance to these roads is necessary to gain access to the surrounding lakes and streams. For generations this area has traditionally been a source of recreation for residents of Nipissing as well as residents of Temagami.

Many residents who are disabled or elderly must rely on four-by-four trucks to access this area and the roads they use to get to their traditional hunting and fishing areas. However, new regulations by the Ministry of Natural Resources that would exclude all motorized vehicles except snowmobiles will discriminate against the elderly and the disabled who must use a truck to get to their fishing or hunting site.

An individual who is elderly or disabled must often modify the way they take part in recreation, but that doesn't limit their enjoyment of the outdoors. If this regulation takes effect, it will make it virtually impossible for the elderly or the disabled to enjoy their traditional rights of hunting and fishing. Rather than enhancing the rights of persons with special needs, the government will be discriminating against the elderly and the disabled by

this regulation. This regulation limits the use of this area to the able-bodied members of society and discriminates against the elderly and disabled. This is an unjust regulation and it should not be implemented.

On December 7, 2001, please make your committee and the general public aware of the discrimination and inequality inherent in Bill 125. By imposing closures and limiting access to many roads in our northern regions, the ministry is denying traditional hunting rights to the elderly, the disabled and to people with special needs. This is a giant step backwards. This issue needs to be reassessed immediately.

Thank you for your efforts on behalf of all people who enjoy the outdoors.

1340

The Chair: We have approximately five minutes per caucus. I'll start with Ms Martel.

Ms Martel: Thank you, Mr Levac, for driving here today. You've come quite some distance to participate and we appreciate that. Can you tell me, did the regulation affecting your district go into effect this spring or is it the proposal to start next spring?

Mr Levac: As most of you know, the Temagami area was a problem for a long time. We've had meetings to consult with them for a long time and we've never gained anything in Obabika. I enjoyed fishing in Obabika and hunting around there for 40 years. Now they've gated the place, the road. It was all paid by taxpayers, the road built, and now that they've gated it, we can't go in there. Why, I don't know. They keep saying it's for—

Ms Martel: Tourist operators? Is that what they told you?

Mr Levac: Yes, tourist operators. Moose habitat. They move into the areas where we can go hunting and fishing, but people like me, I can't move about in there any more. They gated that. To me, the lake is to enjoy for the elderly, the handicapped. Gates should not exist anywhere. There are miles and miles where there is no road, where a plane could fly in and you could hunt and fish. Why have gates where they already have roads? That's what I can't understand. Only the lucky people who have the money to fly in, or they could walk in, can use those areas.

Ms Martel: I'm assuming the gates went up and there was no consultation with anyone there.

Mr Levac: That's for sure.

Ms Martel: I have the same problem in the Gogama district in my riding, off Highway 144. Seven access roads to seven different lakes were gated this spring without any notice to the public as well. So we are still trying to do that.

Mr Levac: This is done often around North Bay, by the MNR in North Bay—no consultation at all. To give you an example, we've been trying to get somebody on the LCC, the committee, from West Nipissing, from my club, and we were never able to get somebody on there. We'd like to have somebody on there, because the district and Temagami are side by side, so that we know

what they do. But they always do something and we only know after it's done.

Ms Martel: Can you tell me, was the LCC approached by the MNR to endorse this plan? I ask that because in the case of Gogama, they weren't. So we didn't know anything about it either. Was that a different situation in your district?

Mr Levac: In our case, the LCC for Temagami is mostly people from Temagami. Do you understand?

Ms Martel: Yes.

Mr Levac: There is none from our side.

Ms Martel: Yes, I understand.

Mr Levac: That's why we've been trying to get some people on those things, so we could discuss the problem with them.

Ms Martel: But did the decision about closing the roads and putting up the gates even come to the LCC? Do you know?

Mr Levac: I imagine.

Ms Martel: I ask that because it wasn't in our case, so even they weren't involved.

Mr Spina: Thank you, Mr Levac, for coming forward. Let me understand this. They closed the gates to the road, but the snowmobiles are allowed through.

Mr Levac: That's right.

Mr Spina: Is there—

Mr Levac: To give you an answer, on November 15 the gates reopen, so they could go to the lake.

Mr Spina: So they open the trail for the snowmobile season but it's closed the rest of the time? Is that what you're saying?

Mr Levac: That's right. At Obabika there's a gate where we used to have a public road. They closed that. Then we had access on private land. An American had a camp there and we used to be able to pay to go through there, to go on Obabika. Now the American has stopped that and we can't go in there any more.

Mr Spina: It was private property?

Mr Levac: Yes. So we asked for public access. As I understand, if we couldn't have private access, the government was going to put in public access. We would put the public access ourselves, our club.

Mr Spina: I'm not sure this is the right committee for that kind of issue, but nevertheless, thank you for bringing it to our attention.

Mr David Ramsay (Timiskaming-Cochrane): Thanks very much for coming to the committee. I know, Alfred, that this has been a long-standing issue in our area, for sure. I think that of all the issues I've had to deal with in my time representing the area, land use issues are the most difficult. In the north here they're so passionately held by all of us who live in the area, especially by anglers and hunters who traditionally have had such access to our crown lands. With more highly competing uses now, it's becoming more and more difficult to find the right balance to give everybody an opportunity to pursue their own activities in the bush, while at the same time maintaining a viable timber industry.

I know it's very difficult because primarily, as you know, the road network was put in place in the past by MNR so the lumber companies could access the timber. Now that's been downloaded to the companies, but under MNR supervision. The roads are primarily put in place to access cuts of timber. The biologists have to make decisions, with the road now in place that gives greater access to this area, whether the wildlife can withstand the greater hunting pressure that's now going to happen because the road has been punched through into this area.

I've been to many meetings with very hotly held debates, passionate on all sides, about this. I have great empathy for you and what you're saying here. I'm very aware of the difficulties that people south of Lake Temagami have had to access the south of Cross Lake and into Lake Temagami. I am on the side of the people south, where you are, in the West Nipissing area, because it's historically been a privileged few, mostly from the United States and Toronto, who want to guard that access to Lake Temagami from the south. It tends to be the residents, the people who work in the mines and the mills and the retired people, who want to continue to access those hunting and fishing opportunities, who are being frustrated.

I wish I had an answer today. I know we've worked on trying to get access and I know the controversies that have been there. I think today you've given me a new perspective, because in the past I never looked at it from the point of view of disability. While we need to protect our wildlife resources and work in a consultative way, as I think Ms Martel has outlined, we don't always get consulted by the MNR. I think that has to happen.

I think the MNR—and I'd be quite happy to take this up with them—has to be cognizant of the needs of people who maybe don't have all the abilities to get into certain areas of our bush and maybe need the assistance of road access. Maybe we need to be cognizant of that and make sure that we set aside areas so that all people who want to enjoy all the resources of the crown bush can have that access, but still do it, obviously, in a controlled manner so that we protect our resources. I thank you for bringing that point forward today and I pledge to work with you on this.

1350

Mr Levac: Can I say a few words on that?

The Chair: Certainly.

Mr Levac: You see, the way we feel, the road is there, there's a gate, but they haven't closed the hunting season or the fishing for the abled people. They mentioned that they want to protect the moose habitat. They preserve it from us but it's still open for other people, the abled people. So I don't see what they gain. Then the skidoos are going in there.

Mr Ramsay: I want to respond to that for a second. I understand it from your point of view. What has happened basically over the last 25 years, with the heightened mechanism, mechanical assistance for hunting, is that we've increased the hunting pressure on our wildlife, both with two-way radio, four-wheel drives, four-by-

fours, going in. We're much more successful at hunting now than we ever have been and that's part of the reason these roads are gated, to give the moose a bit of an opportunity out there too.

So again, it's always this balance of trying to sustain the wildlife population, but you bring a good point, that people with disabilities need an opportunity to pursue hunting activities in the bush, and I'll work with you on that.

Le Président : Au nom du comité, monsieur Levac, merci pour votre présentation cet après-midi.

M. Levac : Merci beaucoup pour avoir la chance de la présenter. Thank you to have a chance to present it.

SAULT-ALGOMA ONTARIANS WITH DISABILITIES ACT COMMITTEE

The Chair: Our next presentation this afternoon will be from the Sault-Algonia Ontarians with Disabilities Act Committee. I would ask the presenters to please come forward and your names for the record. On behalf of the committee, welcome.

Ms Dorothy Macnaughton: I'm Dorothy Macnaughton. I'm one of the chairs of the Sault-Algonia ODA Committee. I'd like to introduce the people who have come with me: Louise Larocque-Stuart, Hedi Kment, Larry Knapp, Sylvia Mosher and her attendant Diane, Cornelia Bryant, John Fedorchuk and George McVittie.

The Sault-Algonia ODA Committee appreciates the opportunity to be able to offer feedback on the proposed Ontarians with Disabilities Act. Our committee has over 50 members, the vast majority of whom are disabled, have family or friends who are disabled or work with people with disabilities.

The agencies most directly involved are advocating on behalf of their clients and are very conscious of keeping their staff informed. Serving on our committee are people with cerebral palsy, multiple sclerosis, arthritis, brain injuries, mental illness, to name a few. We have people who are intellectually challenged, as well as people who are blind, visually impaired, hard of hearing or deaf. Parents of children with learning disabilities, autism and multiple disabilities are also represented. Our committee has been in existence for about a year and a half.

It has been a gargantuan effort—and believe me when I say “gargantuan”—to put this brief together in such a very short time. Our committee has worked very diligently to make sure that the Sault-Algonia area has this important opportunity to help the government of Ontario understand the reality of the many barriers disabled people in our communities face on a daily basis. To achieve this, the government of Ontario must make significant amendments to the act as proposed in this bill.

For members of our committee to arrange to come to these hearings, we have faced heavy obstacles. Did you know there is no vehicle available to rent or borrow in the Soo which takes more than one wheelchair on a weekday? There is a wheelchair-accessible bus which is

available only on weekends. There are also significant costs involved for gas, food and, for some, accommodation. I myself came from Toronto. I've been down there because of medical appointments and my mother has just been diagnosed with terminal cancer. I'm sure you realize it wasn't easy for me to have to leave her in the hospital and come here to do this.

One of our members in a wheelchair requires an attendant, which costs \$50 an hour. From the Soo to Sudbury even in good weather takes three and a half to four hours. Some of our committee members who wanted to come were unable to do so. For them, the lengthy trip to and from Sudbury in one day was too physically demanding. Health issues related to their disability are a barrier.

The fact that the government of Ontario is willing to take a first step toward becoming a barrier-free province is to be applauded. However, an Ontarians with Disabilities Act which truly identifies, prevents and removes barriers for all disabled people must be stronger. What we have done as a committee is that we went through the act with a fine-tooth comb. We chose as a committee where we felt amendments needed to be made, and then we detailed them for you.

We are concerned that nowhere in the act is the commitment made to ensure that financial support will be available to the municipalities, the scheduled organizations and to the business and non-profit sectors so that the requirements of the ODA will be met. Rather than going through every individual amendment that we've proposed, because that would take far too long, I'd like to sort of highlight the ones that we are most concerned about.

The preamble: the Corporations Tax Act and the Income Tax Act, as noted in the preamble, "allows ... deduction for the costs of modifying buildings, structures and premises, acquiring certain equipment and providing special training in order to accommodate persons with disabilities in the workplace." However, according to statistics compiled by various agencies, persons with disabilities are significantly unemployed and under-employed, regardless of qualifications or education. This act does not address this problem or provide additional incentives for employers to hire qualified people with disabilities.

Ontario disability support program: this is an area that our committee feels needs to be addressed. We do not believe that the ODSP, as stated in the preamble, "provides ... eligible persons with disabilities ... with assistance that recognizes their unique needs." If people with disabilities on ODSP are fortunate enough to be hired, the maximum amount they are allowed to make is \$160 per month. Above that, a percentage is clawed back. These people are therefore unable to benefit financially from having a job. This in itself is a disincentive and demoralizing.

The ODSP in its present form forces people with disabilities into a permanent state of enforced poverty, as payments are not adjusted to reflect the cost of living and

many struggle even to put food on the table near the end of the month when their money runs out. I ask the members of this committee, how would you survive, never mind trying to get ahead, on a maximum of \$1,100 a month for the rest of your life? Once rent is paid, the maximum living allowance is a mere \$516 a month. How can a person who has little or no money left pay to take the bus to go to write a resumé or to look for a job? If you were in a wheelchair and had to take an attendant on the parabus with you, the expense would be even greater, as both must pay fares.

The number of persons with disabilities on ODSP who access the Soo Community Assistance Trust is significant and these numbers are increasing. The CAT was formed as a community initiative in February 2001 to meet the needs of the poor, including the working poor and those on disability pensions. Many of those requesting funds from the trust are referred by other agencies. We have an addendum and we have given all the members of the committee our material that outlines the number of people who have requested assistance.

1400

If this act is intended to remove barriers for persons with disabilities, one of the first barriers which must be removed is the financial one created by this government's own program, the ODSP. The program must be completely overhauled, including the following:

Policies should be clearly stated in the statutory regulations so that case managers are held accountable for any decision. Payments must be increased yearly to reflect the cost of living. It took 12 years for persons on ODSP to receive \$30 a month more. The lengthy appeal process must be streamlined and made more efficient. Why just mention in this act that this program exists? Why not do something concrete to make it better?

The Soo legal clinic has backlogged 100 appeals for ODSP which are scheduled for June, July and August, 2002. In addition, 21 cases are assigned to a worker and eight are still on the waiting list. In the meantime, these people are put on the Ontario Works program. They must live on \$540 a month, not including rent, which is even less than they were receiving on ODSP.

The next issue that we feel needs to be addressed is the assistive devices program. Even though this program is not mentioned in the proposed act, it needs to be reviewed and improved, particularly as the costs associated with specialized equipment continue to escalate. We realize that people with disabilities in Ontario are extremely fortunate to have an ADP program. The Ministry of Health covers 75% of costs of some specialized equipment such as wheelchairs. But it will cover either a manual wheelchair or an electric wheelchair. Some people need both. We give you some other examples as well.

Another expense associated with a disability, particularly for blind and visually impaired people, is that CNIB clients in the Soo must travel to Sudbury at their own expense to be evaluated for high-tech aids. It's an extremely difficult situation. When they require help and support, they have to have it over the telephone.

Nothing covers the total costs of specialized equipment or services necessary to enable one to be as independent as possible. Thus, people with disabilities are unable to "participate fully in the life of the province"—that's from Bill 125—because they can't afford such equipment. It is expensive to be disabled. The government needs to recognize this fact by providing funds to cover expenses associated with one's specific disability. Why can drug addicts get free needles through a needle exchange program yet diabetics must pay for their own needles?

I've tried to lay out our submission the way the bill is laid out. There are two items that we feel are important.

The definition of "disability" we felt was excellent, that more types of disabilities were included in the definition. For quite a long time, people with less visible disabilities have been overlooked. Just to give you an item of information, did you know that a talking book machine, needed to play four-track audio tapes of textbooks for learning disabled students, costs around \$700? The CNIB library for the blind has many textbooks already on tape that learning-disabled students can access, but they cannot afford the equipment.

The other definition is the definition of "barrier." It does seem to describe obstacles facing most people with disabilities. However, we felt that financial and technological barriers must be added to that list, particularly because these are two of the most significant barriers faced by people with disabilities. It's not just physical barriers. It must be recognized that other types of barriers are of equal importance. We suggested perhaps some examples could be given right in the act itself.

Under each particular section, then, we made specific recommendations, so I'll just try to skim through a few of those. I honestly don't know how my time is going, but anyway.

The Chair: You've still got 10 minutes.

Ms Louise Larocque-Stuart: We came a long way.

Ms Macnaughton: We did. I ask for your indulgence. It took a lot of time to do this.

We felt that the fact that the government of Ontario, in their responsibilities, was going to develop barrier-free design guidelines for their own buildings in the future was wonderful. However, we felt that what was lacking—and we would like the word "owned" added in, that the "buildings that are presently owned," mainly because we felt the buildings that are there right now also need to be accessible. It shouldn't just apply to newly purchased buildings.

We also felt that there needed to be a change when the government was talking about accessible goods and services. Instead of the wording that's presently there, "the government of Ontario shall have regard to the accessibility for ... goods and services," we felt that more than "regard" was required. We felt there needed to be standards and we gave an example of someone—and this is an actual case; I've actually had this happen myself—trying to read the instructions on a bottle of pills. When your vision is very poor it is impossible. For an elderly

widow living alone, how are they going to get help? This could be a real safety issue.

The reference to the government Internet sites had a phrase that these sites would be accessible "where technically feasible." We felt that the technology exists to make them accessible and that phrase should be removed.

Government publications: once again, it has that same phrase. We felt that when government publications are designed they should be in a format that can be accessible by the user, whether it's in Braille or in large print, or whatever.

The ministry accessibility plans: all the way through it's the ministry and other organizations outlined that are required to design accessibility plans. We felt that the word "barrier-free" was better terminology than "accessibility" because we liked the fact that "barrier" was defined and "accessibility" was not defined.

The idea of preparing these plans was an excellent suggestion on the part of the government for all these different organizations that are outlined. These plans are to be designed annually, but we feel that there needs to be a deadline for each particular barrier that's identified. Then, if the Accessibility Directorate could develop the regulations setting out the deadlines for each of these that would cover a timeline, that would give some accountability. We also felt that when those plans were made available to the public they needed to be available in an accessible format, and they also needed to provide a method to address concerns if a member of the public or a person with disabilities had a difficulty or concerns.

The municipalities and the other organizations outlined pretty much follow the same process as with the other organizations. It's starting out with the government, so I won't go over all of that.

Public transportation: we felt there was a real issue in the north with public transportation and with parabus service and that those in particular really needed to be addressed. I will pop right toward the end.

The advisory councils: the fact that the municipality—

The Chair: Ms Macnaughton, if I may interject, take your time because I'm going to give you more time for questions. So just go easy at it.

Ms Macnaughton: Thank you. I appreciate that. Now let me find where I am. Sorry; I was trying to whip through it.

1410

The Chair: I'm sorry to have confused you.

Ms Macnaughton: That's all right. I appreciate that.

There may be a few things I neglect, but you do have copies.

We felt that further on in the proposed act, in the bill, it states that there would be exemptions. We felt that there should be no exemptions. If everything is set up the way it should be, there should be no reason why, say, a government ministry should be exempt from having to provide a ramp or whatever the case may be. If the particular guidelines are developed properly, there should be no need for exemptions.

The Accessibility Advisory Council of Ontario: we agreed with this group being formed and the fact there are people with disabilities on it, but we felt that the majority of the members should be persons with disabilities. We also felt that council members should represent a broad range of disabilities in electoral districts throughout the province, and therefore there would be good representation from both northern and southern Ontario.

We also felt that if the members were chosen by all parties it would be a non-partisan council and they would be able to accomplish their tasks unencumbered by a political agenda.

We felt that there have already been many reports prepared in the past by other advisory councils and that those reports should be accessed and utilized. That would save in many cases reinventing the wheel.

The Accessibility Directorate of Ontario: it says in the bill, "The employees who are considered necessary shall be appointed under the Public Service Act." We felt that where qualifications are equal, preference would be given to persons with a disability. We felt it was important that this particular directorate have people with disabilities hired if at all possible.

Toward the end of the bill there were references made to other acts which need to be amended. In the Municipal Act, we felt that the businesses should be "barrier-free" and that would be a better word than "accessible" because it would represent removal of other types of barriers, not just physical barriers.

We felt very strongly, as some of the other groups have mentioned, that this act should not just apply to the government, agencies and organizations mentioned. We felt it should apply to businesses, industries and non-profit organizations. We would like to suggest an amendment: "Following the creation of the government of Ontario's barrier-free design guidelines, private businesses, industries and non-profit organizations, in the purchase, leasing, construction or renovation of buildings need to adhere to the same guidelines as the government and municipalities."

We felt that barrier-free design is barrier-free for everybody. The same principles which apply to the government etc must apply to businesses, industries and non-profit organizations or Ontario will never be barrier-free. Which building do you think more disabled people would want to access: a government building or a local restaurant? All new buildings built after the guidelines come into effect must be barrier-free. It makes sense from a cost perspective for a business owner to make their premises barrier-free initially rather than having to incur greater cost to retrofit their building at a later date. Some changes won't require a great deal of expense but will make a significant difference. For instance, many buildings such as restaurants have a one-step entrance which people in wheelchairs can't negotiate. The installation of a ramp won't be a great expense when the business owner takes into account increased revenue generated by more customers. Braille numbers or audible signals on

elevators—and I notice they don't have them here—are a simple way of making buildings more accessible for those who are blind or visually impaired.

There is significant loss of business in Ontario—and if we had time we could have gotten you the statistics—related to the organization of international conferences. Ontario doesn't have barrier-free facilities to the same extent as Europe or the United States. Businesses need to make their premises barrier-free. This will benefit everyone, as the number of people with disabilities will increase as people age.

I quote from highlights of the proposed ODA on the Ontario government's Web site. "The government believes there is a strong moral, legal and financial motivation for the private sector to improve the accessibility of persons with disabilities to its goods, services, workplaces and business establishments." If the government truly believes this statement, it must help by providing the necessary regulations and accompanying financial incentives to achieve barrier-free goods, services, workplaces and businesses.

Businesses, industries and non-profit organizations must also be required to prepare accessibility plans and be subject to the same requirements as the other organizations mentioned in the act.

In conclusion, I quote from highlights of the proposed ODA as found on the Ontario government's Web site. "The Framework for Change includes requirements that would result in all sectors becoming increasingly accountable to the public for the inclusion of persons with disabilities. Persons with disabilities would have an increased role in making changes that affect their lives directly."

The members of the Sault-Algoma ODA Committee are looking forward to the day when all sectors of Ontario society will be fully accountable for the inclusion of persons with disabilities. We sincerely hope that a strong and effective Ontarians with Disabilities Act, when passed, will enable this to happen.

People with disabilities have much to share. We try to live daily as independently as possible, overcoming innumerable barriers, many of which need not exist. We have valuable expertise to share and we need to be part of the process. The government must be willing to listen and to take action promptly to have a positive impact on our lives.

The Chair: Sorry to interrupt but I just wanted to slow you down a little bit. I'll allow three minutes per caucus for questions and I'll start with the government side.

Mr Spina: Thank you, Ms Macnaughton, and your family and friends. If you think the ride from the Soo was a long way, wait until you go back. On the way back, the most boring stretch is through Bar River. I was born and raised in the Soo.

I'm sure your local MPP is working hard to help your people. Tony works very hard representing the Soo, I know.

It really struck home with me, because you talked about an elderly widow living alone trying to read a prescription label. Guess who fits that category? My mother who still lives in Sault Ste Marie.

In any case, I want to address some of the issues, Dorothy, that you brought forward, if I can. There's a lot of them and I can't address all of them, but I'd like to front some of the highlighted points, and a question or two.

You made some very good points that others haven't, and that has to do directly with the ODSP situation and also the assistive devices. Those are good points that have not been brought forward within the context of this bill, but they are important elements and barriers, as you so aptly described, for disabled people. We appreciate your bringing those points forward.

You talked about financial support. I wanted to indicate to you that in last spring's budget, Minister Flaherty committed some dollars—and I'll read those out to you—but it has not been described as to how those dollars will be disseminated. So I will be asking you a question after that. What he allowed was \$67 million over five years for new facilities for adults with developmental disabilities; \$55 million this year, growing to nearly \$200 million by 2006-07, to enhance services for people with developmental disabilities and attract more quality caregivers. Then it also talks about \$26 million over three years to upgrade, renovate, build or purchase new facilities for community mental health organizations. So those are very distinct, large budgetary figures to be addressed to the disabled community.

1420

Sometimes part of the problem we face is how dollars go through an agency and then the agency decides. Do you have any suggestions—and this may tie in with your ODSP, I'm not sure—how some of those dollars could perhaps be directed personally to individuals instead of through an agency? Is there an opportunity for that? Would that help, or should there be a middle group?

Ms Macnaughton: Wow, that's a difficult question. I think in any kind of a process like that, perhaps through the agency, but the actual consumers or people who can speak to the types of situations the consumers are dealing with need to be directly involved. The fact that the government, in this proposal, has disabled people involved at the various levels of accessibility councils, the directorate, etc—

Mr Spina: Barrier-free, as you want.

Ms Macnaughton: —barrier-free, yes—I think that also needs to be addressed at the grass-roots level where the money is being disseminated. I think sometimes, even though agencies represent disabled people, they need the disabled people involved at that level too, because they are the ones who are living it. Many of these organizations, I hate to say, unfortunately, do not have people with those disabilities working in their offices.

The Chair: I'll give each of the other caucuses four minutes.

Mr Bartolucci: Thanks for giving the group extra time. Your presentation was phenomenal. You've covered so much and—

Ms Macnaughton: We haven't had much sleep over the last two weeks.

Mr Bartolucci: That's obvious. I don't want to be confrontational with the committee, because I said today that I wasn't going to be, but I only wish we would have had hearings in Sault Ste Marie.

Ms Macnaughton: So do we. We invited you.

Mr Bartolucci: That's right. We argued for it, to be perfectly honest, and Tony will probably address that. There are lots of people in Sault Ste Marie who would love to have made presentations, my sister-in-law being one, whose child is effectively left out of this legislation. I just want to commend you for the excellence of the presentation. I'm glad the committee gave you extra time because your presentation was very good.

You've put an attachment to your presentation which I believe is very important.

Ms Macnaughton: Yes. I'm sorry, I forgot to mention that.

Mr Bartolucci: It has to do with kids from Anna McCrea public school making submissions after a visit from the ODA speakers. I'm only going to read one into the record, because as I read them I said, you know, the innocence of youth and the honesty of children summarize what you are asking the government to do and what every other presenter has asked the government to do today. It says, "Helping Others: Why criticize when you can help a needed one and feel good about yourself knowing that you can be of help to someone."

That's by Jeremy. I think Jeremy is asking this government, as you've asked this government, as every other presenter has asked this government, to take a long, hard look at their legislation, incorporate the excellent amendments they have heard and make this a strong piece of legislation. The innocence of youth certainly sometimes frames it very simply and we as adults make it complicated because we have to supply the details.

What is your one last piece of advice to the government with regard to this process? Should they withdraw the bill or rewrite the bill before they pass this bill into law?

Ms Macnaughton: I like the idea of a rewrite. There are some very valuable things put forward, so I would say take the good parts, add in the suggestions, many of which came from the ODA Committee in Toronto, and some of our suggestions as well, and just make it stronger.

Mr Bartolucci: Thank you. Would you thank Jeremy for us?

Ms Macnaughton: Yes. Actually, I can tell you that we had several presentations to school groups as part of a public education outreach which our committee felt very strongly about. The response from the students was just phenomenal, how it changed their outlook on people with disabilities. We made sure that every single presentation had a broad variety of disabilities, not just one. They've

never really thought to approach someone in a wheelchair before, or they've probably wondered about someone who is blind or someone who is deaf but they've never had an opportunity to ask some questions and find out what it was really like and what kind of barriers they faced. It opened their eyes unbelievably.

Mr Tony Martin (Sault Ste Marie): Thank you very much, Dorothy.

Ms Macnaughton: And the committee.

Mr Martin: And friends, yes. You've done Sault Ste Marie proud here today in the presentation, and the effort that you made to get here to make the presentation is really effective. I think the government members have heard you, and the impact you've had will hopefully go a long way to encourage them to do some of the things we feel they need to do on Tuesday. Tuesday is a really important day in the life of this bill. Tuesday is the day when we see how committed this government is to the very limited hearings we've had and the very limited opportunity we've had to travel and hear from communities like Sault Ste Marie.

In our view, we should have taken more time. January, February and March were available to us to travel the province, to go to bigger and smaller communities so that you people don't have to travel, so that we travel and hear from you in your own home settings. It's unfortunate actually when you consider—and I think you're right—the absolutely wonderful opportunity we have here now, with this bill being tabled, to actually get it right, to do some things that will be meaningful, that will have immediate impact, not only for you but for future generations.

The government on Tuesday will have a chance to table amendments. They know that both the Liberals and ourselves will be tabling amendments, and all of those amendments that we table will reflect the things you've indicated here today and that the ODA provincial committee has put forward.

We're told by the committee that through some mistake in drafting, I guess, the time allocation was only going to allow for a tabling of the amendments at 4 o'clock and then an immediate vote on whatever was tabled, with no debate. They're now saying to us that, out of the goodness of their hearts, they will allow us from 9 o'clock until noon to actually debate some of the amendments that we will put on the table, but then it's over.

We'll be asking the government on Monday to join with us, through unanimous consent, to allow us at least on that day—so they can get done by Thursday, which is what they're going to do anyway—to meet until midnight to entertain and debate and look at the amendments that need to be put forward.

My question to you would be, what do you have to say to the members of the government who are here today and the other members of government who will hear, through them, the wonderful presentation you have made—and some of the detail on the presentations that we've heard over the last week in Ottawa, Windsor,

Thunder Bay, Toronto and here—about what it is they're going to do on Tuesday to indicate that they've actually heard, that they really are committed to some of the stuff you've indicated is very positive in this bill, and that they will build on it to make sure it is a bill that will be effective and will mean something?

Ms Macnaughton: I just say very simply, if you're going to do it—and we appreciate that they are trying by bringing forward an act—do it right. Take into account everything you've heard, particularly from those people living with disabilities every day. Give careful consideration, amend the act and make it as strong and effective as possible, because that's the only way it will have a significant impact on people's lives, and that's what this act should be all about.

The Chair: With that, I have to bring it to an end, but there is a benefit in being the second-last presenter. You give the Chair a little bit more leeway to play with the time.

Ms Macnaughton: Thank you very much.

The Chair: And have a pleasant trip back. I took the power given to me to do it.

1430

RACHEL PROULX

The Chair: Our last presentation this afternoon will be from Rachel Proulx. I would ask Ms Proulx to please come forward and state your name for the record. On behalf of the committee, welcome. You have 15 minutes for your presentation this afternoon.

M^{me} Rachel Proulx : Mon nom est Rachel Proulx. Bon après-midi. I can start any time?

The Chair: Yes, you can start.

Ms Proulx: Thank you very much for allowing me to speak to you today. As you know, I was a last-minute request. I'm not sure how the advertising or the promotion of these proceedings was announced to the community, but I know for a fact that had it been through the business community, I would have heard about it and I would have followed the proper process. So I do appreciate your allowing me a few minutes.

I know that you've had a long day and you've had a lot of presenters giving you a lot of the perspective from the inside view of persons with disabilities, so I will try not to repeat what has already been said.

In any event, I would like to tell you that I am presenting as an individual. My background is from the private and public sectors. I have been self-employed for more than 10 years on my own. I am past president of the Sudbury Business and Professional Women's Club, and a past district director, which encompasses northern Ontario, for the Business and Professional Women's Clubs of Ontario. I'm also the current national past president for the Canadian Federation of Business and Professional Women's Clubs.

I am a member of the chamber of commerce and have been involved in economic development, as our MPP can tell you, in particular The Next Ten Years, which was an

economic development initiative. I was founding chair of Collège Boréal. I was a member of the transition team for l'hôpital régional de Sudbury/the Sudbury Regional Hospital. I also presented a brief to Hugh Thomas in the restructuring of our city of greater Sudbury—it's very close to me because I suggested it—which brought about the inclusivity of the outside municipalities with the current ward system that we have in the city of Sudbury, which created a new regionalization for this community, I believe.

Having said that, being a minority is not new to me. I, of course, am a female—we are 52% of the population but we're told we're a minority—I'm a francophone, so I'm in the minority, and for the last six years I've been a member of the disabled community as well.

My comments, as I said, are personal, from a business-thinking person. I don't know that anyone has presented views from a business person who has a disability, but I felt that it was important to bring to you my background from that perspective because, I can tell you, had I not been involved in business and had I not been involved in the community in economic development, I am not sure that I would be here today.

You see, when all of a sudden you become disabled, your life changes rather drastically and you have to make choices. I'm not sure I would have had the confidence. That could also be one of the reasons this house is not packed today. It should be packed with people with disabilities, because they are out there. It's not complacency; it's lack of confidence, it's lack of self-esteem, it's lack of awareness.

Marketing being a very big part of my background, again I emphasize how important it would have been to invite not only the disabled community but also the business community, which could have said—and you would have heard—their concerns and their challenges about accommodation for people with disabilities.

I heard one fellow this morning who talked about a Tim Hortons, where they could not go in and have coffee because the facility had a parking space but not a door to let you access. I know one of our businesses here, a very prominent Tim Hortons on Lasalle Boulevard, has recently accommodated its premises and has made wonderful accommodations. It has an electronic door, which is more than I've seen in even some of our public institutions in this community, where accommodation—you know that they're trying, but you have buttons behind posts to open the doors, you have elevators that are timed for you to just get in and out, never mind if you're in a chair, trying to manoeuvre the chair, trying to get in through the door. There are a lot of things when it comes to accommodation.

I know there are building codes in place to ensure that some of these things happen, but I have to question if the people who are drawing the plans, ensuring that the building codes are there, are all men six feet tall with no disabilities—or maybe they do have a disability, because they've missed the point if you do not have people who understand, like occupational therapists, what kinds of

needs are there, whether it be for the hearing impaired, whether it be for people with visual disabilities and so on. There are many other than physical, but there are many disabilities out there.

So here I am today trying to encourage you to look at this bill and look at and consider very strongly the recommendations put forward to you today by all of the presenters. I don't want to delay bringing all of these back to you, but it's important. I'm very concerned as a taxpayer that the bill has already gone through two readings; I'm hearing that very early next week they're going to try and ram this bill through, whether there will be time for amendments or not. I would certainly like to challenge the government to surprise all of those critics and take the time to make sure, as the last presenter said, to do this right. It's not about rewriting the bill, it's about rethinking the bill and looking at amendments that make sense and applying them accordingly.

The bill was written with good old fonctionnaire-ese, if I can use the term: lots of words. You wonder what it means. Will anything happen? Well, you know, it's a nice, long document, but what will really happen about it? We've heard about some of the challenges. As businesspeople, we talk about the transit system not being appropriate. It's certainly not accommodating to me if I have a business meeting that all of a sudden I was able to land because of a possible contract and I can't get in there because Handi-Transit cannot accommodate me for 48 hours. I don't have a right, you see, because I'm disabled.

I've been a minority as a francophone, as a woman; I am now, but guess what? I will be part of the majority pretty soon, because most of you are probably my age or older and you will be the majority very soon and we'll have to make sure that transit is appropriate, that we have access to transit and we have access to of course the marketplace, where it has to adhere to it, but businesspeople want to make money. I want to make money; the government wants to make money. We want this province to continue to grow, because it is the best place to live in Canada. So why not make Ontario an accessible and a good province to live in for entrepreneurs as well? If we know that jobs are not there today because they're not there in the numbers that they used to be, self-employment is the option for many people, in particular those with disabilities. If you cannot even have a good service to get you where you have to go to do your business, then there's something missing in the whole mechanism of things.

If I look at myself, being a mother of four children—my children are now young adults: 23, 24, 25, 26. So going through that—many of you have gone through raising kids—I look at my husband, who did not have a disability until recently. He now has had open-heart surgery and has been diagnosed with diabetes. Again, we're a young family, with a lot of things supposedly ahead of us, but when you're hit in the face by disability you sure as heck hope that if you're spending your pension money now to accommodate your house, you're

not going to live too long, because you will not have a pension left. That is part of the infrastructure that is missing in the bill, and in a lot of the things that we have today the infrastructure is not there. You can make all of the public sector buildings accommodating, but if people can't even get out of their house because they don't have a ramp, they don't have a lift, they cannot accommodate their homes, they cannot work, they cannot have the equipment they need, then there's something missing in the system.

I love the fee that you're thinking about, that this bill is suggesting, for people who park in disabled areas. I thought this was wonderful, but who cares? They're going to continue to park wherever they want to park anyway because there are no bylaw officers to enforce the rules. So if the infrastructure is not there—and it's not the only place; that's one of the places where the infrastructure is lacking—then certainly you can put all the fines you want, but it doesn't mean anything.

1440

Then we hear the speakers say the bill has no teeth. You have to look at the whole picture. I understand that the dollars aren't usually part of the bill, but certainly if the government today has good intentions, as we believe it does, then I would hope that once the amendments to the bill are made—and if it means postponement, if it means tabling this bill until you can do it right, then I hope the government will have the will and the tenacity to make sure it's done well so that all Ontarians can benefit, because that's you and me tomorrow. It's not just me today; it's you and me tomorrow, it's all of us tomorrow.

I hope you will look at the recommendations. Certainly tax incentives, putting together a financial package or incentive following the announcement of the bill, once the bill is passed, goes hand-in-hand. There has to be a plan. There cannot just be a bill that's going to be somewhere on somebody's shelf and just sitting there. It has to have the teeth, and that means the dollars to support the recommendations.

With that, I think I've got things written, but I'm not going to keep you longer than I have. I'm might even write to you with all my recommendations.

The Chair: We will keep you here for a couple of more minutes, because I'm going to ask for questions; I'll allow each caucus two minutes, and I'll start with Mr Bartolucci.

Mr Bartolucci: First of all, Rachel, congratulations on your recent award. You are certainly deserving of it.

Ms Proulx: Thank you.

Mr Bartolucci: With regard to the legislation, certainly this government has relied on you in the past to make submissions that I felt have been excellent submissions. I only wish that your recommendations would be followed.

You've asked the government to slow down, you've asked the government to be proactive in rewriting, re-drafting the legislation, including some amendments that will make the bill stronger. I worry that the government says this is a good first step. Well, I suggest to you that

after six and a half years of study our community of Ontario—not the disabled community; our community of Ontario—does not want a good first step; we want sound, effective legislation. I don't believe this first good step is that. So would it be your recommendation to the government that they spend some time rewriting the legislation to include amendments which then can have regulations attached to them which will make this a meaningful piece of legislation?

Ms Proulx: If I understood correctly the other groups, many have said that they felt it was well-written, it just didn't have teeth, and it didn't have a lot of the recommendations that were supported, that we're suggesting. I don't know that rewriting it would be the way to go; perhaps it's incorporating the appropriate amendments, if that's what you mean by rewriting, because if you're rewriting it can go on another tangent and take another six years. I believe in saving time and money. You have the people here today. This is just before the third reading. I almost wonder why we're here. It's a done deal. Why are we here? Then certainly take the time to look at the recommendations, incorporate them, but also hold on so that all of you, the critics, everybody, can look at it and make sure that it's a proper draft. But also include with it an announcement that will follow that will give you the money to make sure that this happens.

This is a progressive Ontario, which means that it has to have dollars. We are ready for business. If you don't have money, it's not going to happen. So the dollars have to be there. Don't give lip service, is what I'm asking.

Mr Martin: Thank you very much, Rachel. I really appreciate all that you've had to say today, but I want to focus on your last point. Carl thought he was probably going to escape today without my mentioning the \$2 billion to \$3 billion. Well, here we go.

You're right; you're absolutely right. Underpinning all of this, underpinning this government's ability to deliver almost anything where this is concerned is the question of resources and money. We know and they know that in order to offer people their human rights, it's expensive. But the question is, whose human rights can we afford not to respect and honour?

For example, this government, I read in the Thunder Bay newspaper last night, is going to deliver earlier than planned, by way of last year's budget, between \$2 billion and \$3 billion in public money by way of tax breaks to corporations and other individuals across this province. Yet we can't find the few million dollars that will be required to put some teeth and force behind this bill. That troubles me terribly and I'm sure it must trouble you.

Ms Proulx: It all boils down to economics. What about the 7.9 million Canadians who turned 50 in 1997? How many of those are Ontarians? We're told that 90% of our population will be disabled in the very near future. That's you and me. How can you not spend the money? If we look at the dollars it takes to institutionalize, where are you going to be putting these people? Don't you want them to pay taxes? Don't you want them to be very good, active members of society? It only makes sense to put the

money in the bill, to make sure that it's done right, because it's going to cost you at the end. Pay now or pay later. You pay now or you pay later.

Mr DeFaria: Thank you very much for your presentation. I'm just going to talk about the definition of "disability." Some of the presenters, I think the ones before you, were very pleased with the expanded definition of disability that includes any degree of physical disability, whether it's caused by bodily injury, birth defect or illness. It includes a condition of mental impairment or developmental disability, learning disability, any dysfunction, any mental disorder. Are you pleased with that kind of very specific and wide—

Ms Proulx: With the broader understanding of what is a disability? Yes, I am.

The Chair: Thank you very much. Au nom du comité, merci bien pour votre présentation cet après-midi.

M^{me} Proulx : C'est moi qui vous remercie. Bonjour. Thanks.

The Chair: I have a couple of items before we adjourn. I want to inform the committee that taxis will be leaving at 3:30 this afternoon.

Mr Hardeman, on clause-by-clause, if you could give me some direction.

Mr Hardeman: Mr Chairman, I've been sitting here studying it and I have had discussions with both Mr Martin and Mr Parsons concerning this. I take from the resolution that was passed by the Legislature, unless there is some direction from the Legislature to change that, that the only option open to us as a committee is to meet prior to routine proceedings on the 11th. My recommendation is that we meet at 9 o'clock on Tuesday morning to start on the amendments, or to go to clause-by-clause and, assuming there will be a considerable number of amendments, that we discuss them in the morning. We then stop the committee for routine proceedings and then proceed again immediately following routine proceedings in order to meet the direction from the Legislature which says that at 4 o'clock the Chair must put the questions that have not yet been moved, that they must be then considered to be moved and voted on in order to complete the clause-by-clause by the end of the day. I don't believe we have any other options, as we sit here today, to do anything else.

The Chair: No, and I'm not going to debate the issue because, really, under, I think it's order 46, the standing orders of the House, if you're willing to entertain that we meet that morning, I'm willing to go along with that.

Mr Hardeman: Mr Chairman, everyone agreed that we meet in the morning.

Mr Bartolucci: The reality is that doesn't negate the opportunity for the opposition, though, to ask for unanimous consent in the House to extend those.

The Chair: That's correct, yes.

Mr Bartolucci: That's the understanding?

The Chair: Yes, in the House.

Mr Bartolucci: Absolutely.

Mr Martin: I just think it's really important that everybody understands the interpretation that's being brought forward here, which is that, really, according to the bill that was tabled—order 47?

The Chair: Order 46, I think.

Mr Martin:—under order 46, really the only thing left was to meet at 4 o'clock and just whip through the amendments one at a time, and that there would be no room for any debate whatsoever. What you're offering here—and I'm not sure whether we can do that, even, without unanimous consent of the House—if that's what the interpretation is, although I would challenge that, is we would meet from 9 o'clock until 1 o'clock on Tuesday morning. I just want Mr Hardeman to know that, as Mr Bartolucci said, we will be trying through the House leaders to facilitate some further opportunity, which could mean going until 6 or perhaps midnight on Tuesday, depending on the number of amendments brought forward and the need for debate on those, and to then vote on those amendments when we've used up that time. That would be where we're coming from. I just wanted you to know that so there are no surprises.

The Chair: A quick reply.

Mr Hardeman: Not to debate the issue—and the reason not to debate the issue is, I believe, that the issue was debated in the Legislature. My recommendation is strictly based on that we have—and I think the committee Chair needs that information now, that he has the authority to call the committee to order at 9 o'clock on Tuesday morning. Barring that, we will all come to the committee at 4 o'clock Tuesday afternoon, and the resolution is quite explicit about what happens at 4 o'clock. It doesn't provide the opportunity to debate any of the amendments. I think, for the record, that we want to make sure it does provide the ability to vote on all the amendments, but there would be no debate. I just want to say that we are hoping to have a three-hour debate on the amendments as they are presented.

The Chair: With that, I'll bring the debate to an end and this committee is now adjourned.

Mr Martin: Mr Chair, just before you do that, we've been on a fairly fast and arduous journey here for the last week. I want to say thanks to everybody. It's been a good committee, I believe. I want to thank the staff, particularly the real-time captioner, who has had no breaks through the whole thing—we've all had breaks; she's had no breaks, and I think that's quite extraordinary—and all of the interpreters and technical staff, the research folks and Hansard, and of course Susan for making sure that none of us got lost. Thank you very much.

Mr Hardeman: As a representative of government, I would like to echo Mr Martin's comments.

The Chair: We're going to make that at the end of clause-by-clause. We're adjourned.

The committee adjourned at 1452.

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Second Session, 37th Parliament

Official Report of Debates (Hansard)

Tuesday 11 December 2001

**Standing committee on
Finance and economic affairs**

**Ontarians with Disabilities
Act, 2001**

Assemblée législative de l'Ontario

Deuxième session, 37^e législature

Journal des débats (Hansard)

Mardi 11 décembre 2001

**Comité permanent des finances
et des affaires économiques**

**Loi de 2001 sur les personnes
handicapées de l'Ontario**



Chair: Marcel Beaubien
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 11 December 2001

Mardi 11 décembre 2001

*The committee met at 0904 in room 151.*ONTARIANS WITH DISABILITIES
ACT, 2001LOI DE 2001 SUR LES PERSONNES
HANDICAPÉES DE L'ONTARIO

Consideration of Bill 125, An Act to improve the identification, removal and prevention of barriers faced by persons with disabilities and to make related amendments to other Acts / *Projet de loi 125, Loi visant à améliorer le repérage, l'élimination et la prévention des obstacles auxquels font face les personnes handicapées et apportant des modifications connexes à d'autres lois.*

The Chair (Mr Marcel Beaubien): Good morning, everyone. I would like to bring the standing committee on finance and economic affairs to order. We're here to consider clause-by-clause of Bill 125. We'll start with section 1. Are there any questions or comments?

Mr Tony Martin (Sault Ste Marie): I thought the process here this morning would be that each caucus would get a chance to put into the record some overall comments on the bill and then we would move into clause-by-clause. We have three hours here to consider this bill. I think it's important that we consider it both in terms of the sections and the amendments, but that we also consider it in its fuller context. We've been to some pretty significant communities. We've heard from a significant number of groups—

The Chair: Before you start, Mr Martin, how much time do you want for opening comments? Five minutes per caucus?

Mr Martin: Ten minutes, I would say, if that's possible.

The Chair: I'm flexible.

Mr Martin: Five to 10?

The Chair: We'll start. Before we start, there's another issue that I'd like to bring to the committee's attention. At 4 o'clock, under order 46, I will have to move the amendments. All the amendments that have not been moved shall be deemed to have been moved at 4 o'clock this afternoon.

Mr Martin: We understand that; at least I do.

The Chair: With no further ado, then, I will give you 10 minutes per caucus and we'll start with Mr Martin.

Mr Ernie Hardeman (Oxford): Mr Chairman, I have no objection to the members opposite, obviously, if they

so choose, to make a five-minute comment. They can make that to any one of the amendments and they would be perfectly in order. So I have no problem with the suggestion that they want to speak for five minutes. But I would caution that because of the timing—I know the member opposite suggested that we have all of three hours so there's plenty of time to go around. As I look at the pile of amendments, I would suggest that we are not going to be able to get through all the amendments and have discussion on each one of them. As we take the five minutes, I would suggest that we're taking it away from discussing the amendments that are before us. I'll leave it at that, but I do not want the five minutes.

The Chair: I will proceed with Mr Martin and I'll give each caucus up to 10 minutes to make their comments this morning if they so desire. With that, Mr Martin, you're the first to go.

Mr Martin: It has certainly been an interesting week, with some very important suggestions made to this committee; people who have worked very hard over a long period of time seeing this as an opportunity to actually put in place a framework that has some ability in it to make some things happen.

We heard from a number of groups that came, however disappointed, that the bill put in front of us was lacking in some very important and significant areas, yet still hopeful and not willing to just see this bill withdrawn or scrapped or set aside but to move forward with whatever ability or facility to make the changes that are necessary. It's a very important piece of legislation, they told us. I reference, for example, the group that came from Sault Ste Marie: 13 of them, in two minivans, travelled four hours. They had worked for literally a year and a half non-stop and had done an excellent job of going through the bill piece by piece and making suggestions as to amendments that would make this bill work for them, all of them challenged by one disability or another. I think this morning what we need to do is to honour their effort, honour their requests, honour their work, honour the intelligence they brought to this effort to develop good public policy.

As I said, this piece of legislation is very important. It cuts to the very heart of the inequality in this province that people with disabilities face on a daily basis. It's meant to address and remedy these inequalities. The problem is that in its current form this legislation does not do what the government claims that it will do.

The government's own Framework for Change document states, "We envision an Ontario where persons with disabilities can get into and around their community safely; attend and participate in a town council meeting; get to a job that nurtures their skills; and live as independently as possible." But Bill 125 does next to nothing to make that statement a reality. Besides preventing new barriers from being created in new government buildings, this legislation puts forward no mandatory requirements for the removal or prevention of barriers.

The framework also states, "By working together we can achieve our vision of an Ontario where no barriers are created and existing ones are removed." Yet when it really counts, the government chose to fast-track this legislation rather than take the time to work with all the people in the disability community to make sure this bill really works for them.

Despite the limited hearings and shortness of notice, people with disabilities and people working within the disability community came out in droves to tell this committee this bill just doesn't cut it. If we're going to live up to this government's own vision, it is really important that we listen to them.

0910

Today I have put forward many amendments that carefully reflect all that we have heard. The Liberals have done so as well. If the government is truly committed to creating a barrier-free Ontario, as it sets out in its statements in the framework, it cannot ignore all that we have heard over the past couple of weeks. The government must make the changes necessary to improve this legislation and support the amendments being put forward today.

I would like to begin with highlighting section 1, the purpose clause. This is the section of the bill that spells out the goals of the legislation and sets the tone by which all other sections are viewed. If the government truly wants this legislation to be effective, it is very important that this section spell out the goals set out in their framework and vision statement. The amendment I have put forward reflects what the disability community wants in an ODA and echoes the very goals this government says it has for the ODA. It is imperative that all of us support this amendment to ensure a strong move toward a barrier-free Ontario.

Next, I would like to highlight the importance of definitions in the bill. I have put forward amendments to clarify the definitions of "barrier," "disability" and "organizations." These need to be passed. I highlight these specifically because definitions are key to the interpretation of this legislation. Currently, their definitions are too narrow, limiting the effectiveness of the legislation. If we are really going to create legislation that works for people with disabilities, these definitions need to be completely clear and comprehensive.

I've also put forward amendments that would remove scheduled organizations and create classes of organization. Currently under this bill, it is only the provincial

government that has any mandatory obligation to comply. This simply isn't good enough.

People with disabilities don't buy their groceries at Queen's Park, they don't get their hair cut at the Ministry of Transportation office and, when last I checked, Ministry of Health offices were not showing the latest movie release. If this legislation is really going to create the barrier-free Ontario this government claims to aspire to, it must cover all sectors.

Obviously, there are issues around the ability of different organizations to become barrier-free, and that's where the development of classes of organizations comes in to ensure that tearing down barriers is done fairly and equitably. Leaving the private sector out of this bill is simply not acceptable.

I would also like to highlight the amendments creating timelines for action and enforcement for non-compliance. Without these structures in place, this bill is worthless. We have seen how voluntary compliance works. It leaves us with the inaccessible society we have now. It is time for this government to put their money where their mouth is and give the ODA the teeth it needs to make real change in Ontario.

Finally, I would like to highlight the amendments that mandate the role of people with disabilities on the councils and committees. For the ODA to actually be effective, people with disabilities must be involved in the creation of the regulations and guidelines, and they must be involved in every step of the execution of this legislation.

It is only people with disabilities who completely understand the impact of a life full of barriers. This is why it is essential that they be, in the words of Minister Jackson, "in the driver's seat." The amendments we will put forward today will make that happen.

One and a half million Ontarians are counting on us to do this legislation justice. It is up to us here today to make sure that happens. I'm calling on everyone here to do the right thing and support the amendments we've put forward. Let's make this Ontarians with Disabilities Act truly live up to the government's framework and vision statement.

Mr Ernie Parsons (Prince Edward-Hastings): It became apparent to me as we went through the hearings that this is a fundamental human rights issue. There is absolutely no one whom we would bar from watching the legislative chamber in action—except if they were the third person to show up in a wheelchair. There is absolutely no one that would be barred from coming in and walking through this building up to the chamber—unless they were blind, because we don't have Braille buttons on the elevators. This is the only group in society that I could identify who, through no fault of their own, do not have access to the human rights enjoyed by everyone else in this province.

We have the knowledge to take down the barriers. We have the technology to dismantle barriers. The question that's facing us today and tomorrow is, do we have the will to dismantle the barriers?

The presenters struck me as incredible individuals, the way they have risen to meet the challenge. The obligation on us now is to rise back and work with them to remove the barriers. It is very clear, listening to the experts, and my "experts," I mean the persons with disabilities who came and shared their lives with us, that we have to do something. The strong consensus from all was that this bill will not do it. Other than a great title, it does not in fact remove any barriers; indeed, it has been suggested by some that it may actually remove some rights under Ontario human rights legislation.

They are not asking for a lot. We don't believe that every barrier would have to come down Wednesday afternoon, but there are certain key things that have to happen. Fundamental to this bill, we believe, is an amendment to the definition of what a barrier is. Who better to help us with that than the experts who came and spoke to us of their life each day?

There needs to be, we believe, a redefinition of the word "disability." There needs to be enforcement. There is nothing else of value that we do in this province that we do not enforce. We would enforce any regulation for any other person that was denied access to a building or access to a service. We need to enforce it for these equal citizens.

We believe there is too much latitude given under the exemption powers, and that has to be reduced considerably. The obligation should be to level the playing field.

We believe strongly that the persons with disabilities need input into the regulations. I am only too aware of some bills that have been passed and regulations never prepared. There need to be fixed timelines of when the regulations will be done. The bill must not simply go on the shelf.

Lastly, we need to recognize where 90%, 95%, 98% of an individual's time is spent. That is in private industry. They need to be brought to the table with persons with disabilities. They need to be part of this bill; they must be part of this bill for it to have any meaning whatsoever.

I look forward to the clause-by-clause with some hope that we can end up with a bill that has some meaning, rather than just a great title.

Mr Dave Levac (Brant): My opening comment will be very brief, other than to say that my sub paper will be in for the clerk's purposes to substitute for Mr Kwinter who, unfortunately, had to suffer the death of his brother. I send my concerns and prayers to him and his family.

I'm reminded of the frailty of life and the fact that the presentations we have heard, and I've reviewed, are from the heart and are not trying to receive anything extra. The underlying fact that I came to hear is that no one was asking for extra. What they were asking for is equality.

My concern is, as was raised much earlier in terms of the decision to even hear opening statements in clause-by-clause, I've had to suffer through some of these hearings at a different committee level that basically said at 4 o'clock we're going to call everything in and everything's gone and forget about it. By the actions of the

opposition, you can see that there are plenty of amendments being offered. That's not to be frivolous; that is to try to analyze what was said, what was done, what was presented and to provide the government with some well-thought-out options to consider. The thought that there wouldn't be enough time to go through this and debate it falls somewhat short inasmuch as the time has been restricted to allow those amendments to be passed. I'll caution all of us to watch how quickly and how easily these amendments are either accepted or rejected.

As a piece of information for people to listen carefully to, the concern I have is not one of legislation but one of doing the right thing. If any of these amendments is the right thing to do, I would encourage and plead with the members on the government side and those who are presenting to do it in the spirit of offering the right thing to do for the citizens of the province of Ontario, not the political thing to do, not the thing that says, "Well, it might cost us too much money to do this," or whatever the case may be. My challenge to all of us—and I say that on the very broadest base—is that all of us must be doing the right thing to do for the citizens of Ontario, particularly those who are not presently equal.

Having said that, Mr Chairman, I would forgo the rest of my time.

0920

The Chair: I'll go to Mr O'Toole.

Mr John O'Toole (Durham): Thank you very much, Mr Chair, and to the members of committee as well, I just want to save some time. Other members may have something to say.

I feel that, first of all, over the last 10 to 15 years the discussion of determining and making a legislative move for persons with disabilities has been on the agenda of many governments. They have not found the way or the will to move forward. Even this government—and some would criticize that—has tried on a couple of prior occasions to find the right balance.

I commend Cam Jackson, the minister, for bringing forward what I feel is—and some will describe it as—a good first step. In fact, many have described it as that. I would hope it would be stronger as a framework for strengthening over time. We've heard as a group from over 80 presenters across this province. In that respect, we've talked to Ottawa, Windsor, Thunder Bay, Sudbury and Toronto. Those are specific locations. We've heard from every major organization representing various people. I recall some of them specifically by name: the Milton Deaf Action Group, the young people who came here and simply animated the importance of their voice in this debate. Vance Youngs, Tanya Sturk and Jessamyn Roach were an inspiration for people who felt that we could move forward with this legislation.

I just want to put on the record clearly a couple of people, besides David Lepofsky and others, who have been very important voices in this debate over a long period of time. I commend them for their persistence and diligence. I encourage them to support the minister and this government by finding the right membership on the

newly formed directorate and advisory panel. That's a very important role in the regulations that support this bill. I would like to see an opportunity for broad participation.

There are a couple of members who I strongly felt had some knowledge, far more than any of us individually could bring to this. David Shannon, who spoke to us I believe in Thunder Bay, is a member of the human rights board of inquiry and a person with a disability. I'll tell you, this person had an absolute firm grasp, from his experience through a lifetime of living with a disability, that he sees this as the right thing to do. In fact, all members should be counselled that he is a person who works with this and lives with this on a day-to-day basis. He was there. He is on the record as very strongly supportive. I didn't see a political agenda on his side at all. I don't mean that in any critical sense.

What I heard was a majority of presenters who, when posed the question by either the opposition or third party that was most frequently asked, "If you had a choice between this or nothing, which would you choose?" said—somewhat begrudgingly, I might add—most of them supported that this was indeed a first step and it was the right thing to do.

There were certainly, from my point of view, about four major issues. There were the timelines, the enforcement, the dollars and the lack of the private sector. I've seen some of the amendments and I'm confident that with some of those amendments, specifically with the enforcement protocol, there will be—I believe and hope—consent here on at least some of the government initiatives. Let's review them all, in fairness, to get this started, put a framework, a seat at the table. It is the right thing to do. Then this voice will be given articulation in legislation, and other governments—remember, the starting point here is not yesterday, it is not six years ago, it is not 10 years ago; it is a lifetime.

This is a first step. Minister Jackson has tried to find a balance and consensus in removing and preventing barriers for people with disabilities and giving them a voice at a very important time in our collective history.

With that, maybe Mr Hardeman has something to add.

Mr Hardeman: I won't take a lot of time. I think Mr O'Toole has put it forward quite eloquently. I just want to say that we had the opportunity to travel the province with the committee to hear the disabled community speak to the bill. I think all would agree that the vast majority agreed that we should move forward with what we have here, although I would then also agree that the vast majority also wanted amendments made to the bill to make it better to deal with some of the concerns they had. Some of them have been mentioned. The issue of enforcement: as we go through the amendments we will find that there are amendments to deal with the enforcement. The members opposite mentioned the makeup of the advisory committees, to make sure the disabled community is part of those committees and have a strong voice on those committees to help design the plans and to

recommend the plans in individual communities. We have amendments to deal with that.

I too want to commend all the presenters who presented at the committee. It is not often that we have a bill that goes around the province where the presenters are all people who are directly impacted by the legislation. That was very helpful. The amendments that are before us are great in number from all three parties. That's a sign of the fact that we did hear what the presenters had to say. Hopefully we can deal with that and deal with the amendments that are before us. With that, Mr Chairman. I believe we'd be well served to debate the amendments as opposed to what we heard. I would move forward with that.

The Chair: Before I go there, as Chair I would like to recognize and thank the staff and all the people—the interpreters, the signers—who helped us during the hearings. Certainly kudos go to Susan for working very hard to make sure we had all the proper staff in the proper places at the proper time. That was very much appreciated. I would also like to thank the members for their cooperation during the hearings.

With that, we will go to amendment number 1, which is a Liberal amendment.

Mr Parsons: I move that section 1 of the bill be struck out and the following substituted:

"Purpose

"1. The purposes of this act are,

"(a) to achieve a barrier-free Ontario for persons with disabilities through the identification and removal of existing barriers and the prevention of new barriers that limit persons with disabilities from fully participating in all aspects of life in Ontario; and

"(b) to ensure that persons with disabilities play a central role in the mechanisms established to achieve the goal described in clause (a)."

The Chair: Discussion?

Mr Hardeman: I will not be supporting the amendment. I believe the government's goal in the whole bill is to improve the opportunities for people with disabilities. That's reflected in the title of the bill, in the preamble of the bill and in the purpose. I don't believe this motion is necessary. The bill presently does it.

Mr Martin: This is actually a very important part of the bill. Out of this flows almost everything else. If we've heard anything in the hearings we've just been through, it is that we need to sharpen up, we need to be more specific. We need to take out some of the weasel words that are included in this bill that will allow the government to define for itself what it means by so many of the provisions that could be or should be or may be present or possible because of this bill.

0930

If we are going to, as I suggested earlier, live up to the challenge of meeting some of the requests that were made to us by those who live with a disability and with barriers every day, we need to be willing to, right off the bat, in the purpose of this act, be more specific in terms of what it is that we mean, because the purpose that's

ere now is too loose. It doesn't go to the heart of the matter. I believe if we were to replace it with what the liberals have tabled here this morning, which, if you look, is exactly the same thing as the amendment that follows from our own caucus—and I would suggest to you that we both depended very heavily in terms of the wording of this amendment on suggestions, information and advice that we got from the disability community out here. So if you're going to kick this off right off the bat by not listening to that community and not listening to us, who have now become a voice for that community at this table, then I don't see where anything else in the act is going to make much sense either. I don't see where you've actually heard much of what was presented across the province during the hearings. We'll miss an opportunity, in my mind, to really make a difference and to make that difference right at the outset where we lay out the purpose of this bill.

I'm encouraging members across the way to see this as the beginning of an exercise of putting some teeth into this bill, of defining more clearly what it is we want to do and using some language that has been suggested to us by the disability community that will start us down that road.

The Chair: I shall pose the question on amendment number 1. All those in favour of the amendment?

Mr Levac: A recorded vote, please.

The Chair: I've already called the vote, so you will have to nail it past me earlier. But anyway, if you want a recorded vote, we'll go with a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Arnott, Hardeman, O'Toole, Spina.

The Chair: The amendment is lost.

We'll go to amendment 2, which is very similar but as a couple of words that are different in the amendment. It's an NDP motion.

Mr Martin: I move that section 1 of the bill be struck out and the following substituted:

"Purpose

"1. The purposes of this act are,

"(a) to achieve a barrier-free Ontario for persons with disabilities through the identification and removal of existing barriers and the prevention of new barriers that prevent persons with disabilities from fully participating in all aspects of life in Ontario; and

"(b) to ensure that persons with disabilities play a central role in the mechanisms established to achieve the goal described in clause (a)."

The Chair: Do you wish to speak to the motion, Mr Martin?

Mr Martin: Yes, I do. Basically, it's a continuation of my comments with regard to the Liberal motion, because this is very similar.

I mentioned in my support of the Liberal motion that the disability community out there wants us to be a lot sharper, a lot more clear on what it is we're talking about here, what it is we're trying to do, what it is they've been waiting for a long time for us to do. They are not enamoured with the simple term "improve opportunities." They want it more defined. They want it clear right up front in the purpose that we're going to identify and remove barriers that they confront in their everyday life.

I agree with them when they say they're not going to be satisfied until we actually do that, until we have the political will, the strength of character here to actually say what we're going to do, and not leave in this bill what I referred to on a number of occasions through the hearings as weasel words that can be reinterpreted, interpreted, redefined and made to say something else.

The other part of this amendment that I think is equally important, particularly given some of the fuzziness around the edges of some of the language in this bill, is that, right up front, we say that persons with disabilities are going to be involved, are going to play a central and essential role in making sure that these barriers are identified and that in the end action is taken to remove them.

As we go through this bill, if we find that the government might be willing to support us in actually introducing some language that would see us talk about timelines and some enforcement mechanisms, that they be there as well to make sure that those timelines are realistic from their perspective and that they get done—because if we simply go with what we have here, which gives any governing or government organization, any administration that is struggling with some of the financial considerations and concerns and pressures that all of them are dealing with right now, and we leave the kind of language that's in the purpose as it is, that can be taken advantage of. But at least if the disabled themselves are playing an important role in the mechanisms, the organizations that are set up and established to work with the various institutions to make sure that barriers are identified and removed, it won't be done so easily. It gives people with disabilities living in communities an opportunity to be involved in those issues that affect them so directly.

To not do this, to not be willing to identify more clearly and to ensure in the purpose, out of which everything else flows, that disabled persons will participate in a major and significant way—we heard over and over again, if you'll remember, as we travelled the province, requests by almost every organization that people living with disabilities might be a majority on these advisory boards, both at the provincial level and at the local level. If we don't put some reference in here to that, if we don't suggest very clearly and strongly right from the outset in the purpose of the bill that persons with disabilities play a central role, then I can see us having difficulties down the road.

As I said, municipalities, for example, that find themselves pushed and cajoled and influenced by people within their jurisdiction who have identified barriers, who are anxious and wanting to see those barriers removed, and will get themselves on to these committees, will be on these committees or will have persons from their community speaking for them—it will be much simpler without this amendment for those communities to simply remove those people and put people in there who will do their bidding and simply, at the end of the day, make a mockery of an act that was introduced with so much promise and hope and flair. At the end of the day, if we're not willing, right from the outset, to listen to what we've heard and begin to define more clearly that which we want to happen, I would anticipate that we will have a major flame-out here in the not too distant future. Where we've lifted this community up to a degree in our suggestion that there might be an act here that would support them in their efforts to remove the barriers they confront every day, because of the disappointment that will happen, they may be further behind than they were in the beginning.

I'm encouraging the members around the table here to support this amendment for all those reasons and, more importantly, not just because I'm saying that but because we've heard over and over again consistently across the province that this is what people with disabilities want in the purpose of this bill if they are going to feel confident that what's promised in the preamble will in fact happen in reality when this bill is enacted and becomes the law in the province.

0940

The Chair: Any further discussion?

Mr Parsons: I've always believed in listening to experts in their field, whether they be doctors or lawyers or engineers or people simply with experience. We have had the advantage of having world experts come and present to us over the last week and make suggestions. I'm sensing that, although we very much enjoyed hearing the presentations, there doesn't seem to be a will to actually listen to them. If we're not going to listen to them now, are they going to be heard when they're on the advisory committees? It gives me no sense of optimism that that will happen.

People with disabilities, in most or many cases, probably most cases, live an incredibly complex life. I compare this act with the bill that dealt with municipalities and how thick and how detailed it was. This one is as loose as can be. But I would suggest that the life led by a person with disabilities is as complex as one led by a CEO or by a mayor or a reeve. We heard a presentation in Ottawa by an individual who is deaf and blind, and I challenge you to try to imagine the organizational skills required by that person to plan their daily life, to plan their education, to plan their career. We need to give them as much power as we can so that they can live the utmost life possible. We are the barrier to them. They very clearly don't see the barriers other than the ones that we've erected.

I urge support for this amendment to make it as all-encompassing and inclusive as we can to handle not just the present situations but anything that will arise in the future—barriers not yet thought of or identified. I certainly will be supporting the motion.

Mr Hardeman: Again, I think it's important to go back. The motion is to change the "purposes of the act" definition. The members opposite have gone into detail about what the purpose of the act is. To me, the purpose of the act is to identify, remove and prevent barriers so full participation of the disabled community can be achieved in the province of Ontario. I believe that the present purpose says exactly that, in fact, except for the preamble to it. The function is exactly the same: "identification, removal and prevention of barriers to their full participation in the life of the province." In that respect, I see no need to amend that section.

The member opposite spoke to the participation of the disabled community in the process and on advisory boards. I would suggest that as we go through the amendments we'll find that there are some amendments dealing with that to make sure that we do have the proper participation. So I will not be supporting the amendment.

Mr O'Toole: I just wanted to reinforce what Mr Hardeman has said. The purpose clause very specifically does—I think the most important thing here is the involvement, which is articulated later on in the bill in section 12, section 17, section 19 and section 20. That's where you'll see this much more clearly defined, the purposes: the identification, removal and prevention. I think without looking at it in terms of the consultative model that's being proposed here, we may be looking too narrowly at the purpose clause, and in that case, I won't be supporting the NDP amendment because it doesn't look beyond the specific word that they're having a problem with.

Mr Martin: If in fact the government is suggesting that what's covered in the purpose is going to be dealt with later on in the bill, then why not just lay it out right off the bat, put it in the purpose? In the purpose it's indicating very clearly right off the bat what it is that you are proposing today. I guess I'd like to hear why it is you would not want to put that piece in there. I'm referring now to the proposal "that persons with disabilities play a central role in the mechanisms established to achieve the goal described...." Why would you not want to put it in there? If in fact that's what you propose to do, that's what you think is going to happen and that's what, as we go through this packet, some other amendments will address, why not put it in the purpose? Why not lay out clearly right from the start the fact that you want the disabled community, those living with disabilities, to be involved up front and clearly and in definitive ways in these mechanisms? I don't understand why you wouldn't want to put that in there.

The Chair: Any further discussion? If not, then—

Mr Martin: Recorded vote.

The Chair: —I shall pose the question on amendment

Ayes

Levac, Martin, Parsons.

Nays

Arnott, Hardeman, O'Toole, Spina.

The Chair: The amendment is lost.

Shall section 1 carry? It is carried.

Section 2, amendment 3: it's a government motion.

Mr Hardeman: Mr Chair, I wish on behalf of the government to withdraw that motion. I think the next motion in our package covers in a more thorough way the same items, so we will be supporting the motion put forward by the Liberal Party.

The Chair: You're withdrawing amendment 3. We'll go to amendment 4, which is a Liberal motion.

Mr Parsons: I move that the definition of "barrier" in subsection 2(1) of the bill be struck out and the following substituted:

"'barrier' means anything that prevents a person with disability from fully participating in all aspects of society because of his or her disability, including a physical barrier, an architectural barrier, an information communications barrier, an attitudinal barrier, a technological barrier, a policy or a practice;"

I think this is probably as broad a definition as we can get for "barrier" and I believe it is absolutely vital that it be all-inclusive to handle, as I mentioned earlier, both known barriers and barriers yet to be identified. I believe this amendment will do that.

The Chair: Any further discussion?

Mr O'Toole: I think it's clear here as we get into the definition part where the real articulation of this and the strength of it really is: in the definitions part. I did hear during public hearings that the comparison used in the existing language, that it's not an obstacle to access for other persons, was seen as sort of negative, and the removal of that and the suggestion brought forward by the Liberal Party seems to clarify and remove that negative inference. So I'll be supporting it very strongly.

Mr Martin: I also will be supporting it and I want to recognize the movement by the government in this area. I appreciate it. Thank you very much. I think it's the kind of co-operation that we hope we'll see more of throughout the exercise here this morning. I think this is a very good start. As I said in my opening comments, definitions are key to the interpretation of this legislation, just as I believe the previous motion was important in terms of setting the tone in the purpose. Certainly we will find that people in communities across this province in various areas of activity, as they look at what they need to be doing, will return time and time again to the definitions to give them further direction as to what it is and how it is and why it is that they need to be doing what they're doing. This will give the advisory committees the kind of platform they need from which to develop the plans that

they will and hopefully make them more effective. So I'll be supporting this motion.

The Chair: Any further discussion?

Mr Levac: A recorded vote, Mr Chair.

The Chair: I shall pose the question on amendment 4.

Ayes

Arnott, Hardeman, Levac, Martin, O'Toole, Parsons, Spina.

The Chair: That amendment is carried.

Mr Levac: On a point of order, Mr Chair: Is there a rule that prevents the request for a recorded vote for all amendments?

The Chair: No, I think if you request a recorded vote, then I can call a recorded vote—

Mr O'Toole: Mr Chair, I would prefer to have a very legal opinion. We have a very clear mandate in the time allocated to this. With the amount of important debate occurring, we could end up not getting through the motions. As it stands now, they will all be deemed to have been moved. So my impression there is this might be—Mr Levac, do I have your assurance that the intention here is to complete this prior to or at noon, or is this some sort of subtle tactic? Do you have some other motive here? What's the objective?

0950

Mr Levac: Am I allowed to respond, Mr Chairman?

The Chair: Sure.

Mr Levac: I'd just like them recorded.

The Chair: I shall call a recorded vote on each vote, then.

Mr Levac: Thank you very much.

The Chair: We'll go to amendment 5: Mr Martin. Sorry, it's a duplicate.

Mr Martin: Yes, I will withdraw that motion because I think it's covered completely by the motion that the Liberals put forward.

The Chair: We'll go to amendment 6, a government motion: Mr Hardeman.

Mr Hardeman: I move that clause (a) of the definition of "disability" in subsection 2(1) of the bill be amended by inserting "a brain injury" after "epilepsy."

I think the motion is quite self-explanatory. The brain injury association was in at almost every stop we had on our tour around the province suggesting that the definitions should include brain injury specifically, as opposed to just a disorder. We think it's appropriate to add that to the legislation.

The Chair: Any further discussion?

Mr Martin: Again, I go back to comments I've made a couple of times now. Definitions are key to the interpretation of this legislation and our view is that the current definitions in some instances are way too narrow and they limit the effectiveness of the legislation. If we're really going to create legislation that works for people with disabilities, these definitions need to be completely clear and, I highlight, comprehensive.

Although I recognize some movement by the government and the fact that they heard, I believe, from a number of the groups that came forward, particularly the groups representing those with acquired brain injury who came in great numbers to all the hearings across the province, that they have put these two further definitions in this piece, I don't think it's enough. I don't think it goes far enough to defining what we mean by disability. There are a couple of amendments, actually identical amendments—well, not quite identical—following this that I would suggest the government take a look at and consider supporting, which will go a whole lot further than what is suggested in this amendment to making sure that those things identified by the groups who came before us as difficulties, as shortcomings, as fuzzy in the bill are covered in these definitions.

I guess for fear of losing even this little bit of movement that has been made in this amendment, I'm going to support it, but I'm going to support it hopefully setting a tone that will allow the government side to support the motion that we have put forward that will further define this in a way that will be more acceptable to the disabled community out there, more in line with what we heard and what was called for by these groups as they came before us over the last week. So I will support this, but, as I said, I'm supporting this with the hope the government in fact will respond, will reciprocate, by supporting the further amendment to this that both the Liberals and ourselves are putting forward. Ours is just a wee bit different from the Liberal amendment. Perhaps in keeping with that spirit, the government might want to consider withdrawing this amendment in favour of one of the other two. I would put that out there as well as a suggestion that the government might want to entertain.

Mr Parsons: Like the previous speakers, I learned a great deal about individuals who have acquired brain injury during the presentations, but for me it begged the question: what other disabilities are there out there that I do not know about? This bill, once passed, is not amended easily, so we need to proceed on the assumption and basis that it will in fact be in place for quite some time. Critical to me for this bill is that the act not in itself serve as a barrier. We must not erect a barrier that will make it difficult for us to identify, recognize or help people with a disability not yet known or not familiar to this committee or to this group. I would suggest that in the six days of hearings that we held we only scratched the surface of Ontario with individuals who would have liked to have spoken to us.

Like my colleague from the NDP, I will support this amendment from the government side because it is better than the existing, but it is not as good as it could be.

The Chair: Any further discussion?

I'll call the recorded vote. All those in favour of amendment 6?

Ayes

Arnott, Hardeman, Levac, Martin, O'Toole, Parsons, Spina.

The Chair: That motion carries.

We'll go on to amendment 7, which is a Liberal amendment.

Mr Parsons: I move that clauses (a) and (b) of the definition of "disability" in subsection 2(1) of the bill be struck out and the following substituted:

"(a) any degree of physical disability, infirmity, malformation or disfigurement and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, chemical or environmental sensitivities, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial appliance or device or a brain injury,

"(b) an intellectual disability,".

We have put this amendment forward in the belief that it is vital that we keep the door open to allow the inclusion in this bill of every possible known and to be identified in the future disability.

The Chair: Any further discussion?

Mr Hardeman: I believe this amendment just covers the same bases that the present clause already provides. In fact, I'm having trouble trying to find out whether it isn't becoming more vague, that it's going to be more difficult to identify what it means for someone else reading it. As I read 2(a)—and I'm not going to read it into the record—in the present bill and then I read this one, I find very minimal differences. The other thing is, of course, since we just passed the other resolution, the amendment would not be appropriate as the wording is not in the amendment now as we have just passed; the words "brain injury" will be put in after "epilepsy," so if the amendment were to pass it would not fit the previous amendment.

Mr Martin: Actually, there are some very subtle and important differences in what's been moved now by way of amendment and what's in the original definition of disability and I think it needs to be put on the record. I believe it was spoken to on a number of occasions over the period of the hearings. There is some real nervousness and anxiousness around the clause in the existing definition that indicates "that is caused by bodily injury, birth defect or illness." There is some anxiety that may get in the way down the line of some really good work being done. It's something that somebody who, for whatever reason, wants to block or impede or slow down or stop the removal of a barrier, who is wanting to split hairs or get into legal wrangling or arguments about why it is a particular barrier should not be removed, could in fact take and use these words in this instance.

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In my view, it's another of those clauses put in by way of fuzzifying the bill so that all barriers don't ultimately get removed and it gives somebody who may be dealing with this some basis upon which to make an argument that is silly and frivolous and not relevant.

It was clear in the presentations that were made that there was some real concern about that particular piece in the definition and that it be removed. By putting forward this amendment, we've actually removed that. We've also added a section down a little further—

Mr Hardeman: On a point of order, Mr Chair: Are we speaking to the same amendment?

Mr O'Toole: No, this is the Liberal amendment.

Mr Martin: This is the Liberal amendment.

Mr Hardeman: You're speaking to the Liberal amendment?

Mr Martin: Yes, we are.

Mr Hardeman: You were saying, "as we have put," so I was wondering if you speaking to the next amendment.

Mr Martin: Yes, I'm sorry.

Mr Hardeman: Thank you. I just wanted to make sure we were on the same—

Mr Martin: Yes, and you'll find, Mr Hardeman, through this morning that we, New Democrats, and the Liberals are very much onside together with the amendments that we're putting forward. There is a slight difference in the amendment you'll identify and I'll speak to that in a few minutes, but right now I'm speaking to the Liberal amendment. I'm sorry if sometimes—I'm not joining the Liberal caucus; I just want everybody to know that.

Mr Parsons: The door's open.

Mr Hardeman: I just wanted to make sure we all understood.

Mr Levac: You've ruined our plot.

Mr Martin: I just want everybody to know that my chair's not moving that way or anything, to the right.

So excuse me if from time to time I'm—

Mr Hardeman: No, that's fine.

Mr Martin: As a matter of fact, it highlights the fact that we need to be clear sometimes in what we say so that people don't misunderstand what we mean when we speak.

That's why we're so anxious, particularly upfront and early in this exercise of putting amendments, that we do everything we can in both the purpose and now the definition to take any fuzziness out of the language because of everything else that flows out of this bill. As we move forward and begin to do the very important work that's required to remove the barriers that we know are out there, we have to make sure that what's in this bill by way of purpose and definition supports that effort and doesn't give anybody looking for a loophole a reason not to do that.

The first piece of the definition in this amendment is removed; it was clearly identified by the disabled groups that came before us as necessary if you're going to define and sharpen up the language here and take out anything in there that might create some difficulty or some problem down the line.

We've added here a piece which covers a condition that often gets in the way of some of our fellow citizens participating fully in the life of their community; we've

added chemical or environmental sensitivities. That becomes more and more relevant in the world we live in now as we begin to, because of science, be able to identify those chemical and environmental sensitivities that many of our brothers and sisters, many of our neighbours and friends, struggle with. To put this in here is being proactive on our part and recognizing that we see in our communities more and more people who struggle with challenges brought on by some of the chemicals people come in contact with which, for one reason or another, become problematic, or some of the things that are happening in our environment now because of the industry that we see evolving and some of the new ways we've found to affect our environment that are ultimately affecting people and their ability to participate fully.

We had a number of people come forward to talk about this and to ask us to please consider these kinds of difficulties in this bill. Here's a chance for us to very clearly upfront identify an area that I believe we will see coming at us in a big hurry and is actually coming at us right now. I know in my own constituency office we're seeing more and more people coming in, looking for support to live their lives, to get retraining to get back in more active participation in the workplace. We're not able to help them because there still isn't an understanding out there of what it is they're confronting and why it is they're having the difficulty that they have. Lacking that understanding then, there is no effort to try to put in place supports required to make sure that these people are able to get over the barrier that they're confronting or facing and move on.

If we include it in the definition it will be easier for them to bring it forward to the different institutions, organizations or government bodies to get redress through the advisory councils at both the provincial and local levels. I think this is really important. I think both these changes suggested in this amendment are really important and I would ask the government, in the mood that I think was struck with our supporting their amendment because we wanted to make sure that change was made, that they would entertain what we're saying and support us in pushing this forward and making it part of the bill.

The Chair: Any further discussion?

Mr O'Toole: I'm just wondering if this is procedurally in order. I put to you that we have moved an amendment to subsection 2(1) and have unanimously endorsed that amendment. As I understand it, once you've amended the original wording, however substantively, you're actually amending an amendment and as such, I put to you that this motion Mr Martin has taken up some time on is basically out of order.

The Chair: No, I think it's in order, Mr O'Toole, because this amendment—

Mr O'Toole: I depend on your interpretation. That's fine, Mr Chair.

The Chair: —would basically amend your previous motion that was passed. So I don't see it out of order.

If there is no further discussion, I will pose the question and it will be a recorded vote on Liberal motion number 7. All those in favour?

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The motion is lost.

We'll got to NDP motion number 8.

Mr Martin: I move that clauses (a) and (b) of the definition of "disability" in subsection 2(1) of the bill be struck out and the following substituted:

"(a) any degree of physical disability, infirmity, malformation or disfigurement and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, chemical or environmental sensitivities, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial appliance or device,

"(b) an intellectual disability,

"(b.1) a brain injury."

The Chair: Discussion?

Mr O'Toole: On the motion: we have had considerable debate. The wording is almost identical in both the defeated motion by the Liberals and this motion here, except in clause 2(1)(a), the Liberals have used "brain injury," where they have not, and the NDP has added a separate clause (b.1). These terms that Mr Martin's referring to have been in the Human Rights Code for many years and have formed the basis of protection for persons with disabilities, so it's not in any way new language. That's our comment.

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Mr Martin: I hope the member isn't suggesting that we just dump everything that we're not able to catch with this into the Human Rights Code. We all understand here, who've been around for a while, that the Human Rights Commission is already overwhelmed with the kinds and numbers of issues they have to deal with on a day-to-day basis. So I think it's important, if we're going to introduce a bill and put a framework in place that supports the removal of barriers for people with disabilities, that we do it right the first time and that we include in it as much as is required to actually get that job done.

Without any further real debate, the member is right. I did put on the record my thoughts with regard to this bill. I think it's important, as I said before, to be clear in the definitions, to be very precise in the definitions and to include those things in the definitions that we heard from the disability community are important. Again, that's what this is. It's our attempt, with a bit of a variance from the Liberal amendment, to make sure we capture what we

heard and not miss an opportunity here to include all those things that are barriers for individuals out there wanting to participate fully in their communities.

Mr Parsons: I will be supporting this amendment. As we have joshed a few minutes ago about the NDP and Liberals agreeing in these amendments, I think we need to look at perspective; not that we're agreeing with each other, but both the Liberal and the NDP caucuses agree with the community of persons who are disabled. If it would increase your comfort level, in many, many cases in here, it is not a Liberal amendment or an NDP amendment; it is an amendment that has come from the individuals with disabilities who live the life every day and are sharing their expertise with us. This is an amendment that reflects the needs and the requests of that community. I certainly will be supporting it.

Mr Hardeman: Again, I just want to point out, as I did with the previous amendment, that if we're looking for clarity for the disabled community, definitions as they are in the Human Rights Code, and then, to no major effect, to change it in this act is not going to help the community in trying to decipher what government legislation does or doesn't do.

So I think the present form, as it's written for the Human Rights Code, is the one that we should accept, recognizing that this amendment again puts forward adding brain injury in a different manner than what the committee has already supported. In adding it, I would think at the very least that part of the motion would have to be changed prior to it, if it were to be accepted. So with that, I'll be voting against it.

The Chair: If there's no further discussion, I shall pose the question on amendment number 8; it will be a recorded vote. All those in favour?

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

We'll go to amendment number 9.

Mr Parsons: I move that the definition of "Ontario government publication" in subsection 2(1) of the bill be struck out and the following substituted:

"'Ontario government publication' means a publication or an appendix to a publication in any form, including print and electronic forms, that the government of Ontario, an officer of the assembly or an officer of the Legislature issues or a publication that is created by any organization with funds provided by the government of Ontario."

I strongly support this amendment. One of the frustrating things that the individuals have shared with me is difficulty in getting publications that are accessible to them. It has always struck me, whether we use the words

"funny" or "ironic," that it is easier for an individual who is blind to get a deaf menu at McDonald's than it is to get a document in Braille from this government. If there is anything that is fundamental to democracy, it should be the access to information that an individual can get from our government. Therefore we'll be supporting this.

The Chair: Any further discussion?

Mr Martin: Again, this speaks to an issue that was brought forward but should also be actually logical and obvious to us if we've paid any attention to what is being asked for where this bill is concerned. It simply lays out that those publications, those communications that are developed by way of organizations supported by government not only be available to those who can access them and read them or hear them or whatever, but that they be available to every citizen who calls Ontario home and who wants to participate in life.

What this does simply is broaden the venue or the opportunity for people with disabilities to access information that may be in some instances absolutely essential to them if they're going to be able to participate or take advantage of opportunity to improve their lives or take advantage of some things that are out there or may be out there that they won't have any clue are out there unless they have access to that information. So I'll be supporting this amendment.

The Chair: Any further discussion?

Mr Joseph Spina (Brampton Centre): I won't support this because I think that with respect to the current proposed definition, it would remove restriction to the sections of publications that are generally available to the public and remove the exemption of certain technical publications. I don't have a problem with the government providing the services but the real concern I have here is the part of the clause that makes reference to any organization with funds provided by the government of Ontario. Having been involved with tourism and small business, this clearly imposes a difficulty on all of these businesses that may be receiving some sort of funding from the province in whatever mechanism, whether it's through a tourism or travel association or even to a community group. I think that would constitute quite an undue hardship for these smaller businesses. Clearly, those that want to be able to cater to elements of the disabled community, either who currently do so or who wish to do so, certainly will already, as they have, or will be in a position to find the resources to market to that community. But I think it would be pretty onerous for us to extend that as far as this amendment recommends, and therefore that's why I would not support it.

The Chair: Mr Hardeman—Mr Parsons; I'm sorry.

Mr Parsons: We share the same first name but not last yet. I would counter that with the comment that persons with disabilities are full citizens and pay taxes. It's some of their tax money that will have flowed to these other organizations. If they are in fact individually and collectively helping to fund another organization, surely there should not be a barrier erected to them accessing what they have helped to pay for.

Mr Levac: One of the comments I would suggest is that if these companies at any time want to receive monies from the government, there would be conditions attached to it, that indeed we do that. We also do that now. There are conditions which people who receive funds from the government have to fulfill and maintain. So quite clearly, if you want to do business with the government of Ontario, you're going to be barrier-free. If you're going to receive those monies, you are going to use some of those funds to ensure that the public in general has accessibility to that.

So quite clearly it would be a very strong mandate, a very clear message to the people of Ontario that the government is exceptionally serious about ensuring that the people who have disabilities will have access to their government through any action. Another clear point that comes to my mind is that we also are sending a message to the people who have disabilities that if there are agencies that are receiving government funds, they can count on them to be accessible.

Mr Martin: I would suggest that people consider very carefully the comments that Mr Spina just made, because they indicate very clearly why that we need this act and why we need to be doing what we're calling for by way of this amendment.

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He speaks of undue hardship. That's precisely what we're here about. But we're not talking about undue hardship to organizations and businesses and groups out there that will find it a challenge, yes, to live up to the requirements of this act; we're talking here about undue hardship to people with disabilities trying to access this information.

To suggest for a second that by providing opportunity for people with disabilities to access information they may need to take advantage of opportunities, which is the definition they chose to run with here under the purpose, and to see this or to somehow define this bill by way of what undue hardship it will cause for the organizations out there, is precisely why we're here today.

There are undue hardships. The undue hardships that we're trying to address in this bill are the undue hardships that people with disabilities are experiencing. We don't for a second suggest that there won't be hardships, some of them considered undue, depending on your view and what side of the table you're on, but they need to be removed. That's why we're here.

The argument falls flat for me that somehow, by way of this bill, we would be creating undue hardship for some organizations and institutions out there. Of course we will, because we'll be asking them to do some things which they heretofore have not been doing that will make it easier for people with disabilities to access the information, in this instance, that they're looking for. So that doesn't carry much water for me.

I would suggest that people consider those comments as we go through the rest of the bill, because underlying a lot of what this government isn't willing to do with this bill is this sense that it will provide undue hardship for

some people out there who, for one reason or another, don't want to have to deal with that. We're saying very clearly they have to, because if they don't, there are a million and a half people living in this province who will not be able to participate fully in the life of their community.

I just had to put that on the record where this amendment is concerned and suggest that that's precisely the thinking that's going to get in the way of our making this bill the effective piece of legislation, the effective framework that it has the potential to become.

The Chair: If there is no further discussion, I will pose the question on amendment 9. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

Do you wish to withdraw amendment 10, Mr Martin?

Mr Martin: Yes, I do. I've said everything I need to say on this and I don't want to prolong the discussion any further. We have lots of other important pieces to debate here as the morning goes on.

The Chair: We'll move to amendment 11.

Mr Parsons: Have we voted on 10 yet or has he withdrawn it?

The Chair: He's withdrawn it.

Mr Parsons: I move that subsection 2(1) of the bill be amended by adding the following definition:

"organization" means any person, entity, or class or persons or entity carrying out a business, enterprise or other activity that offers goods, facilities or services, and without limiting the generality of the foregoing, includes,

"(a) every district school board as defined in section 1 of the Education Act and every board established under section 68 of that act,

"(b) every hospital as defined in the Public Hospitals Act and every private hospital operated under the authority of a licence issued under the Private Hospitals Act,

"(c) a board of governors of a college of applied arts and technology, and

"(d) every university in Ontario, and its affiliated and federated colleges."

The Chair: Discussion?

Mr Parsons: This is simply an amendment to be more inclusive of organizations or entities that persons with disabilities would be interacting with. I cannot see a problem if we want to give persons with disabilities access into as many facilities and services as possible. I cannot picture why this amendment would not be supported to do just that.

The Chair: Any further discussion?

Mr Martin: This amendment clearly tries to broaden the scope of this bill and capture or catch all of those organizations that might, for one reason or another, fall off the table here and not be covered. It's bad enough that we're not covering the private sector, which is the institutional offering out there that provides so many of us, and the disabled in particular, with the everyday opportunities and needs we require, but in moving this bill forward, understanding that probably we're not going to be successful in capturing the private sector—although hope dwells eternal in my heart—that we not miss any opportunity to make sure that we cover absolutely every organization that needs to be covered in at least the public sector. So I'll be supporting this amendment.

The Chair: Any further discussion?

Mr Hardeman: I will not be supporting the amendment. The amendment is just to broaden the scope. Presently there is no definition of other organizations. It defines where the act covers and where it doesn't. Our government approach is to work with the disabled community to set standards for these organizations and, when they have been designed, they will be put in place by regulation and have the force of law. I think our approach to that is going to work better than this amendment would, so I will not be supporting this amendment.

The Chair: Mr Martin?

Mr Martin: Sorry, I misspoke myself a few seconds ago. There's just a lot of stuff here. This is really important work and it's important that we be clear in what we're doing. This amendment does in fact capture the private sector and any other organization. Just to go back over it, "organization" means any person, entity, or class or persons or entity carrying out a business, enterprise or other activity that offers goods, facilities or services, and without limiting the generality of the foregoing," and then it includes some more defined organizations. I believe this gets us into the area of trying to capture in some small way the issue of business or enterprise, public or private, being covered by this act.

If we heard anything over the last week from the groups out there, it was that this bill needs to cover, to include, to capture the private sector, very clearly.

Mr Parsons: We have a significant number of amendments before us and limited time, but this one is a key to 98% of where a person with a disability would want access. This is a fundamental one. The US Americans with Disabilities Act—we never advocated that we follow it line by line, but clearly the summary of the experience in the US with the Americans with Disabilities Act is that private industry there has supported it.

To pass a bill that prevents persons with disabilities from having access to shopping, medical services and accommodation makes a sham of the rest of the bill. I know that what I'm saying everyone at this table and in this room already knows. If we genuinely, truly want to remove barriers, we have to provide access to every possible organization.

I have learned that at this very moment—I don't know if many of you will recall that some years ago there was

an Ontario human rights case over a person with a mobility disability not being allowed access to movie theatres. The reaction from the theatre chain has culminated today with them closing the last of the theatres that were named in the human rights case. So the reaction to them not having time to develop access over the years—not only have persons with disabilities lost access to these theatres, everyone in the community lost access, whereas had the theatres been included in this bill, there would have been a time phase that would have allowed it to take place. So we're seeing the doors closed to the very group of people we purport to be putting this bill through to help. I know it will get a limited amount of debate because of the time allocated, but if this bill does not apply to the private sector, then we have by and large wasted our time and wasted the time of individuals who have waited for years to get access to all facilities.

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The Chair: If there's no further question, I shall pose the question on amendment number 11, and it will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

Mr Martin, do you wish to withdraw amendment number 12 as it is a duplicate of 11?

Mr Martin: No, actually, I want to be on the record as having moved this as well, because it's so important.

The Chair: Well, Mr Martin, I shall have to rule the amendment out of order because it is exactly a duplicate of number 11. We've already debated this one. So we shall move to amendment number 13.

Mr Parsons: I wish I had the training of a lawyer. I'm trying to recall—I wish I had a better memory than I do—what effect the previous amendment losing has on this amendment. I don't believe this amendment is necessary if the previous amendment was lost.

The Chair: So you're withdrawing the amendment?

Mr Parsons: I will withdraw that.

The Chair: We'll go to amendment number 14, which is basically the same thing. Mr Martin?

Mr Martin: Just give me a second here. That has sort of thrown a little wrinkle into my thinking, because I'm not a lawyer either. OK, I'll go along with that.

The Chair: Thank you very much.

We'll go to amendment number 15.

Mr Parsons: I move that subsection 2(2) of the bill be amended by adding at the end "including consultants, agents or contractors or any other person doing work with or for the government of Ontario."

That should be reasonably self-explanatory. If it is publicly funded, it should be included in the coverage of this bill. I can't picture anyone not supporting this.

The Chair: Any further discussion?

Mr Hardeman: Mr Chairman, I will not be supporting the resolution.

Mr Martin: Briefly, this again is an attempt to broaden the net here and capture some organizations and groups that wouldn't otherwise be. I think we have to be diligent and do due diligence in making sure that nobody escapes the influence of this bill out there and can make an argument that they don't have to live up to some of what will probably be in the end suggested as barrier-removal exercises in the various communities across this province. So we'll be supporting this amendment for those reasons.

The Chair: Any further discussion? If not, I shall pose the question, and it will be a recorded vote.

Ayes

Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

I think number 16, Mr Martin, is similar in nature.

Mr Martin: Yes.

The Chair: So you're withdrawing the amendment?

Mr Martin: Yes.

The Chair: I shall pose the question on section 2. Shall section 2, as amended, carry? It must be a recorded vote also.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Martin, Parsons.

The Chair: The motion carries.

We'll go to section 3, amendment number 17.

Mr Hardeman: I move that section 3 of the bill be struck out and the following substituted:

"Recognition of other legal obligations

"3. Nothing in this act, the regulations or the guidelines made under this act limits in any way the legal obligations of the government of Ontario or any person or organization with respect to the provision of access for persons with disabilities under any other act, including the Human Rights Code, or under any regulation."

The Chair: Discussion? Go ahead, Mr Hardeman.

Mr Hardeman: Mr Chairman, first of all, I want to say we had a number of legal presentations during our consultation that suggested there was concern that the

wording of the bill presently wasn't clear enough to make sure that the other acts were paramount over the Ontarians with Disabilities Act in any area where they had a higher requirement. They wanted to make sure that that higher requirement remained. I believe this amendment does that.

I wanted to point out, Mr Chairman, for the committee and for the member opposite, the next motion is a motion from the Liberal Party, doing the same thing. Ours is, in my opinion, slightly clearer. We would be prepared to support your motion too, but I believe that this one will serve the purpose better than the amendment that is being proposed in the next, in number 18.

Mr Parsons: I appreciate the intent of that. I prefer the Liberal motion, and I believe the NDP motion is exactly the same as ours. I am bothered in the government's, though, by the words, "with respect to the provision of access." I believe our amendment is more inclusive. It's simply with respect to persons with disabilities. This limits it to access, and I believe that there will be some questions certainly within the community as to exactly what does "access" mean. I believe the phrase "provision of access" is too restrictive. I will support this motion in the hope that the following amendment—I'm going to withdraw that comment that I will support this amendment. I would prefer the other amendment.

The Chair: Any further discussion?

Mr Martin: I want to recognize a movement when it happens. I want to thank the government for bringing this forward. Obviously, they're going to support it. It's certainly an improvement. It indicates that, at least in some instances, they've heard some of the very real concern raised by deputants in front of this committee over the last week. Without this, there was the very real fear that this act would be a lowering of the floor for people with disabilities, and this will catch that.

However, I raise the same concern that my colleague from the Liberal caucus raises. The government takes two steps forward and then one step back all the time, and that's what they've done here. They've brought forward an amendment that will capture very clearly an issue that was raised over and over again by a number of groups, particularly those with legal expertise, who have that capacity to assess legislation and understand what it does or doesn't do or how it affects other pieces of legislation. But to include in here the piece with respect to the provision of access seems to me to speak very clearly to another issue that was raised consistently over and over again by groups who came before our committee to speak of the very limited focus of this bill on the question of mobility and physical barriers out there.

Given the comments of members across the way that we not create any undue hardship for various organizations and perhaps businesses out there with this act, I'm afraid that a piece like this, with respect to the provision of access, may be just the tool that some of those groups will use in order to reduce the undue hardship they may experience.

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You will excuse me if I don't have much sympathy for the argument of undue hardship where organizations and perhaps businesses etc are concerned when you stack it up against the many years of undue hardship experienced by people with disabilities out there as they try to remove barriers and in fact participate more fully in their community.

For those reasons, I'm disappointed that the government would have put this piece in. However, like the member from the Liberal caucus, I don't want to miss an opportunity to actually put at least some little provision in here that will make sure we're not lowering the floor, even if it is limited with respect to provision of access.

I'll be supporting it but I'm hoping the government will see its way clear to improve on that. I'm giving you credit; I'm supporting it. I think this is a good move. As I said, you've heard very clearly what's being called for and asked for here and you've done the right thing. I'm asking you to listen some more, hear what we're saying from this side—driven by consultations that we've had with the disability community out there—and remove this piece by supporting the amendment that either we or the Liberals have put forward. I'll be supporting this, hoping that you will be supporting our motion when it comes down.

Mr Hardeman: As I said earlier in my previous comments, we heard considerable debate during our consultation that one could interpret the bill differently, in different ways, and the concern that it didn't cover all the bases as it should. It was for that reason we brought forward this amendment. With the debate on this amendment, there still seems to be some confusion or different interpretations to this amendment from across the floor. So with the unanimous consent of the committee, I would withdraw our amendment and move on to the opposition amendment for further discussion.

Mr O'Toole: I fully agree to expedite this. I could make a stronger case for the government's proposed amendment. It's actually stronger, less general and less subject to misinterpretation, because it refers specifically to the term "access." If you look under "access" under the definitions, when we talk about the barriers and the word "access" in all of the agencies, the word "access" becomes a key word. You also have to look at subsections 3(1) and 3(2) to really appreciate what the current government amendment does. But giving respect to our key person on this committee, Mr Hardeman, I'll be supporting withdrawing the government motion.

The Chair: Mr Hardeman has withdrawn amendment 17. Do I have unanimous consent? Mr Martin, do I have unanimous consent to withdraw number 17?

Mr Martin: In the interest of?

The Chair: Going to number 18.

Mr Martin: OK, that's fine.

The Chair: I'll go to Mr Parsons with amendment 18.

Mr Parsons: I move that section 3 of the bill be struck out and the following substituted:

"Recognition of existing legal obligations

"3. Nothing in this act, the regulations or the standards or guidelines made under this act diminishes in any way the legal obligations of the government of Ontario or any person or organization with respect to persons with disabilities."

The Chair: Discussion?

Mr Martin: I just want to thank the government for moving in that way. I really appreciate the co-operative nature of that move and I think it will pan out in the long run to be in the best interests of the people we're all speaking on behalf of here this morning. Thank you very much.

Mr O'Toole: Because it seems to be moving along rather harmoniously, which is nice, out of respect, I'd like to ask the Liberals to withdraw 18 and support 19 unanimously, and then we would have the work Mr Martin has put into this on the record. Really, they're the same amendments.

Mr Parsons: I think that's an excellent idea. I'm certainly prepared to withdraw.

The Chair: So we have unanimous consent to withdraw number 18, to support number 19? OK.

Mr Martin: I appreciate the co-operative nature of that suggestion. Thank you very much.

The Chair: I will ask you to move amendment 19 for the record.

Mr Martin: I move that section 3 of the bill be struck out and the following substituted:

"Recognition of existing legal obligations

"3. Nothing in this act, the regulations or the standards or guidelines made under this act diminishes in any way the existing legal obligations of the government of Ontario or any person or organization with respect to persons with disabilities."

The Chair: I shall pose the question and it will be a recorded vote.

Ayes

Hardeman, Levac, Martin, Munro, O'Toole, Parsons, Spina.

The Chair: The motion carries.

Shall section 3, as amended, carry? It will be a recorded vote.

Ayes

Hardeman, Levac, Martin, Munro, O'Toole, Parsons, Spina.

The Chair: That carries.

We'll go to section 4, amendment 20.

Mr Parsons: I move that subsections 4(1) to (4) of the bill be struck out and the following substituted:

"Government buildings, structures and premises

"(1) In consultation with the Barrier-Free Directorate of Ontario, persons with disabilities and others, the government of Ontario shall develop barrier-free design

standards to achieve accessibility for persons with disabilities to buildings, structures and premises, or parts of buildings, structures and premises, that the government owns, purchases, enters into a lease for, constructs or significantly renovates after this section comes into force.

"Implementation of standards

"(2) Within six months after the government of Ontario develops the standards and in consultation with persons with disabilities and others, they shall make regulations that require the government to comply with the standards within the time period specified in the regulations.

"Deadline

"(3) In establishing the time period for compliance, the Lieutenant Governor in Council shall take into account the cost of complying with the standards, the use of the building, structure or premises affected, its projected future occupancy and other factors that the Lieutenant Governor in Council considers relevant having regard to the purposes of this act.

"Duty to comply

"(4) The government of Ontario shall certify that the design of buildings, structures and premises, or parts of buildings, structures and premises, that it owns, purchases, constructs or renovates after this section comes into force complies with the standards before occupation or regular use by its employees.

"Display of certification

"(4.1) The government of Ontario shall display a copy of the certification mentioned in subsection (4) for a building, structure or premises publicly at the location of the building, structure or premises and make the certification available for inspection by the public on request.

"Recertification

"(4.2) The government of Ontario shall renew a certification mentioned in subsection (4) at the times specified by the regulations."

The Chair: Discussion?

Mr Parsons: Certainly we heard concern out of the community that made presentations to us that they felt there was no point in barriers being identified and plans being made without something actually happening. The current bill as it's drafted does not provide any assurance that anything will ever be implemented. So this requires that, within a time frame, regulations be prepared and that there be timelines established for compliance. In echoing concerns that these things will cost money and will take time, this provides for a process that allows for input as to the various costs and the various challenges faced, but it does require a timetable to be put into place that will make it happen. In addition, it recognizes that from time to time buildings are modified and changed, so it is possible that a building that is accessible at one time could lose that due to modifications, and hence a recertification requirement.

The Chair: Any further discussion?

Mr Martin: I just want to bring to the attention of the committee that we have tabled a similar motion that

follows on this but does have one sight variance. I'm not sure how we might deal with that, if in fact we want to.

Our concern is in (4), "Duty to comply," and perhaps a friendly amendment. I don't know if that's something that happens at this kind of committee. I know at our conventions we often do friendly amendments. I know you find it hard to believe, watching some of our conventions, that we do friendly amendments.

In the "Duty to comply," the Liberal amendment references "before occupation or regular use by its employees." That may become in some instances—for example, this building here, if we're going to try to bring it up to standard and we decide to go down that road, it may be that this question of "before occupation" could require an evacuation for a period of time, which might prove to be somewhat impossible to do. So what we're suggesting in the amendment we're putting forward next is slightly different for that reason. Perhaps we might want to consider that, as opposed to the "Duty to comply," subsection 4(4) of the Liberal amendment. That's the only concern I have.

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Mr Hardeman: I will not be supporting the motion. I have some concerns about the ability of this committee and the Legislative Assembly of Ontario to direct the Lieutenant Governor to do anything. We don't have the ability to do that. I think the resolution is quite clear that she "shall." I don't believe that's an appropriate terminology in this. If the resolution were to pass, I don't think that part would be appropriate. I will be voting against the whole motion.

Mr Spina: In going through the elements of the bill with respect to the duties of the government, I felt it was pretty strong and pretty clear as to the responsibility of the government. Subsection 4(1) says, "develop barrier-free design guidelines to promote accessibility" and so forth, and furthermore, that carries forward to "structures and premises, that the government purchases, enters into a lease for, constructs or significantly renovates after this section comes into force." There are a number of elements here that I think are pretty strong.

"Duty to comply

"The government of Ontario shall ensure that the design of buildings, structures and premises, or parts of buildings, structures and premises, that it purchases, constructs or significantly renovates after this section comes into force complies with the guidelines before occupation or regular use by its employees."

I think it's pretty clear. I know, for example, at my own constituency office, which is marginally accessible, once this bill is through, I can tell you that my landlord will receive a very clear direction that our constituency will be and must be accessible to all parties. I know this is sufficient and I'm confident of what is there now. In addition, it is beyond the mandate of the Legislative Assembly to order the Lieutenant Governor, as has been proposed in the amendment by the opposition. So we won't be supporting it.

The Chair: Further discussion?

Mr Parsons: This subsection 4(4), "Duty to comply," seems to be causing some problem. I would note a key phrase in there that says, "significantly renovates after this section comes into force." I'm prepared to accept the friendly amendment from Mr Martin on this. I don't—

The Chair: For the procedure, I think amendments had to be submitted at noon yesterday. So I think if you want to withdraw your motion and maybe go to Mr Martin's, that's probably the only way I can deal with it. It's your choice, and I need unanimous consent.

Mr Parsons: No, I think I will leave it. One additional thing I would mention is that I'm not a lawyer, but I'm assuming that leg counsel, when they reviewed these, evidently were comfortable with the portions in there dealing with the Lieutenant Governor. I can't speak as an expert lawyer or judge on this, but leg counsel indicated that this wording was satisfactory. So I think I would like to vote on our motion.

The Chair: Any further discussion?

Mr Martin: Setting aside that little piece, I think the more important issue here is the actual amendment itself, which begins to move in the direction of setting some parameters that are both time-sensitive and effective for this bill, so that this thing doesn't go on and on forever, with no ability to say to whatever section of government or organization that is supposed to respond to the plans that have been made that it needs to happen, and if it doesn't happen, they're in contravention of the act and therefore can be exposed as such to whatever remedies are out there.

Without moving to the kind of definition and hard and fast requirements this kind of amendment puts into the bill, I believe we're going to be stuck with a very soft and fuzzy framework that will, in the end, take forever to have any real effect and will provide those who would choose not to co-operate, for all of the reasons that they might, with all of the undue hardship arguments they can put forward and not actually live up to the spirit that is obviously contained in the preamble to this bill.

I'll be supporting this. I'll also be putting our amendment, given that there is some difference in it and it won't be ruled out of order.

The Chair: If there's no further discussion, I shall pose the question on amendment 20. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

Mr Martin, with regard to amendment 21.

Mr Martin: I move that subsections 4(1) to (4) of the bill be struck out and the following substituted:

"Government buildings, structures and premises

"(1) In consultation with the Barrier-Free Directorate of Ontario, persons with disabilities and others, the government of Ontario shall develop barrier-free design standards to promote accessibility for persons with disabilities to buildings, structures and premises, or parts of buildings, structures and premises, that the government owns, purchases, enters into a lease for, constructs or significantly renovates after this section comes into force.

"Implementation of standards

"(2) Within six months after the government of Ontario develops the standards and in consultation with persons with disabilities and others, the Lieutenant Governor in Council shall make regulations that require the government to comply with the standards within the time period specified in the regulations.

"Deadline

"(3) The time period for compliance shall be based on the cost of complying with the standards, the use of the building, structure or premises affected, its projected future occupancy and other factors that the Lieutenant Governor in Council considers relevant.

"Duty to comply

"(4) The government of Ontario shall certify that the design of buildings, structures and premises, or parts of buildings, structures and premises, that it owns, purchases, constructs or significantly renovates after this section comes into force complies with the guidelines.

"Display of certification

"(4.1) The government of Ontario shall display a copy of the certification mentioned in subsection (4) for a building, structure or premises publicly at the location of the building, structure or premises and make the certification available for inspection by the public on request.

"Recertification

"(4.2) The government of Ontario shall renew a certification mentioned in subsection (4) at the times specified by the regulations."

The Chair: Discussion?

Mr Martin: Just very briefly. As I said to the Liberal motion, with the one slight change, this amendment begins to tie down in terms of timelines and also some facility for enforcement, and I think that is absolutely essential. We heard it over and over again in the hearings. We need to be finding ways to respond to that, and this does that.

The Chair: Any further discussion?

Mr Spina: It hearkens back to part of the same argument from before, where this is imposing that "the Lieutenant Governor in Council shall make regulations that require the government to comply...." It's beyond the mandate and the scope of the Legislative Assembly to impose that upon the Lieutenant Governor. The Lieutenant Governor is there to address the legislation and the regulations that are created by the assembly, also by cabinet and the executive committee, not to create the laws or the regulations but rather to approve or dis-

approve of them. That's the role of the Lieutenant Governor. I think this is out of order. I might ask that you might rule on that, Chair.

The Chair: I don't think it is out of order because the Lieutenant Governor in Council is cabinet, really. That motion is not out of order. Any further discussion?

Mr Levac: Thank you for that ruling. I would suggest then that the legal counsel who's been putting together the amendments to make them usable in bills would probably have taken that into consideration. What we're hearing on the other side are interpretations and their opinions as opposed to whether we've got a legal representation as to whether or not these particular amendments being spoken of are the only reasons for the other side not accepting those. It does not speak to the real issue of what the NDP motion is all about and what the previous Liberal motion was all about, and that was to ensure that the conditions are set that, again, speak to the equality and the levelling of the playing field. Unless I can hear an interpretation that the Legislature says you cannot make this provision inside of an amendment, then I will continue to support and then challenge the other side to indicate to us through legal counsel that what they're saying is actually indeed, instead of an interpretation, the fact. I will be supporting the amendment.

The Chair: Any further discussion? If not, then I shall pose the question on amendment number 21. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

I shall go to amendment number 22.

Mr Parsons: I move that subsection 4(6) of the bill be struck out.

Subsection 4(6) refers to "Internet sites, where technically feasible" being available. I'm disturbed by that waffle phrase "where technically feasible." For many citizens in this province the only form that is available to them to get government information is over the Internet. Second, I would suggest that the Internet site is in a very real sense a government publication and of course should be accessible to persons with disabilities. We do not need this one phrase or one clause. It allows the waffle.

Mr Martin: I'll be supporting this amendment.

Mr Hardeman: I'm not supporting the resolution. Maybe the member across could explain it to me more clearly. I'm not sure that I understand the intent of the motion. It's the difference between regulations and guidelines. I just don't understand what the member is trying to accomplish with this motion.

The Chair: Do you wish to reply, Mr Parsons?

Mr Parsons: Yes. The current one deals with government Internet sites and says it must be accessible “where technically feasible.” We don’t believe the phrase “where technically feasible” should be in there. Internet sites can be made accessible. We don’t have a limitation on government publications of any other sort.

Mr Hardeman: That is my problem. I don’t understand. If it is always technically feasible, then that section to me says they must do it. If it is not technically feasible, then I would suggest that neither the member opposite nor myself would suggest that it was being done if it’s not technically feasible.

Mr Parsons: Clarification: I believe I was speaking to the wrong clause. However, we’ve had a good debate, Ernie.

Mr Spina: I’m not sure if I’m being caught between the Ernies here.

Speaker, or Chair—as much as I’d love to have you as Speaker, you’re the Chair at this moment—I won’t support this. Getting ahead of the other one, this is actually a clause that is a technical clarification on advice of counsel in the ministry to be able to clarify the difference between guidelines and regulations. That’s the reason why it was put into the bill. It’s strictly a technicality on the advice of counsel in the ministry that this was put in. That’s the reason why it’s there, to ensure that guidelines and regulations are not confused. We wanted to separate them. That’s why it’s there.

Mr O’Toole: I recognize, Mr Parsons, that amendment 27 was the one you were really referring to, where it did strike out 6.

Mr Hardeman: We haven’t got there yet.

Mr O’Toole: No. I think if we bundled these together we could save some important time. If you look also at amendment 26, which is the government motion, it roughly does the same thing. It takes out some of the difficulty with what you had. But if you take all of 22, 23, 24, 25, 26 and 27—

The Chair: We have a motion on the floor.

Mr O’Toole: I am addressing the current motion, which is 22. I think it should be withdrawn. We will eventually get down to number 27, which strikes out 6 and adds a government Internet site and strengthens the language. My point really is that—and this is specific to the motion and all of the motions that I’ve referred to—having some background in software, 25 years of it, the “technically feasible” will be an ever-changing benchmark which I think would be better defined in regulations. The language that we’re clearly implying, if you look ahead at our amendment, is probably—there are software packages that work today for some communities and not others and there will likely be advances in all, whether it’s JAWS or other software that gets developed. So to put this in here without allowing technical feasibility to emerge and be loaded and find delivery systems—I think this here particular one is out of order.

Mr Levac: Just as a clarification, the amendment before us has been clarified. We were talking about the wrong issue and we’re now back on 4(6), which has got

nothing to do with computers, Internet or anything. It’s basically a clarification between regulations and guidelines. That’s just to make sure everybody’s on the same line here.

The Chair: Any further discussion? If not, then I shall pose the question on amendment number 22. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O’Toole, Spina.

The Chair: The amendment is lost.

I think amendment 23 is a duplicate of 22. Do you wish to withdraw this one, Mr Martin?

Mr Martin: Sure.

The Chair: Shall section 4 carry? It will be a recorded vote.

Ayes

Hardeman, Munro, O’Toole, Spina.

Nays

Levac, Martin, Parsons.

The Chair: Section 4 carries.

Amendment number 24.

Mr Parsons: I move that section 5 of the bill be struck out and the following substituted:

“Government goods and services

“5(1) The government of Ontario shall not purchase goods or services for the use of itself, its employees or the public that create or maintain barriers for persons with disabilities or that contravene the standards specified in the regulations made under subsection (3) unless it is not possible to do so because the goods or services are not available in a form that complies with this subsection and otherwise cannot reasonably be obtained in such form if so requested or ordered.

“If goods or services not available

“(2) If the goods or services cannot be obtained in a form that complies with subsection (1), the government of Ontario shall ensure that the benefits of the goods and services are available to persons with disabilities at no extra cost or effort to persons with disabilities.

“Standards

“(3) In consultation with persons with disabilities and others, including through the Barrier-Free Directorate of Ontario, the Lieutenant Governor may make regulations specifying the standards mentioned in subsection (1) for goods and services which promote the purposes of this act.”

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This amendment is put forward to make the act actually have some meaning and to actually do something. The current section 5 says that “the government of Ontario shall have regard to the accessibility....” No one can actually define what “have regard” means. What I do understand is that it means nothing has to happen. But I would suggest that if I were caught going over the speed limit on a highway and indicated to the officer that, yes, I had regard to the speed limit but I chose to not adhere to it, I would and should be penalized for that. We believe that they’re entitled to more than “have regard to,” that in fact there need to be some mandatory provisions to this.

Mr Martin: Very briefly, I agree with the Liberals on this one. We heard over and over again over the week we had hearings from group after group that this phrase, “shall have regard to,” is one of those terms that you just can’t grab on to. It’s the old proverbial trying to nail jelly to the wall kind of thing, more of the weasel words that we see too often in this act that will not tie anybody down to anything and will give the disability community all kinds of heartburn as they try to get things moving and effective.

The Chair: Any further discussion? If not, I shall pose the question on amendment number 24. It will be a recorded vote.

Mr O’Toole: Mr Chair, I wonder if we could have clarification here on number 24. I’m waiting for Mr Spina to come back, and it’s important that we don’t at this time—I’m going to have to talk for some time on this motion.

Mr Parsons: Perhaps Mr Hardeman could go and look for him while we vote.

Mr O’Toole: Actually, there may be one of the whip staff in the room or the minister’s staff who might do that; I don’t know.

I think there’s been some significant debate on this section and I’m still encouraged that if we look at section 5 in any detail, the wording there that they were having problems with, as I heard in the public hearings—over 80 presenters. They did have “shall have regard to,” but the particular words there weren’t strong enough, and I understand that. I think they’ve gone to some trouble here to change that. I’m clear that I’ll be voting against it. I just want that to be on the record.

Mr Martin: Very good, John.

Mr Parsons: Just-in-time delivery.

The Chair: Further discussion?

Mr Levac: Now that I see the mud is even muddier, that’s a good response. In essence, in reviewing the documents that were presented to me in preparing, it was absolutely clear that there was another message that needs to be sent out. I come back to this one, and I will continue to come back to this one, and ask people to reflect, when they make their decisions, that we are sending a message to the country, to North America and to the world as to how we respond to the challenges that have been put before us. If we continue to use phraseology that is too vague, that doesn’t have teeth,

that makes it clear that we’re just leaving room to not act, then I would suggest to you that we are a bad example versus a good example. I’m suggesting very strongly that in this particular clause you do not lose by strengthening the wording. This amendment does so and it removes any doubt that the government of the day is in support of making it a strong statement.

The Chair: If the members are really positive that there is no further discussion, I shall pose the question. It will be a recorded vote on amendment 24.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O’Toole, Spina.

The Chair: The amendment is lost.

On amendment 25, Mr Martin.

Mr Martin: I withdraw.

The Chair: Shall section 5 carry? It will be a recorded vote.

Ayes

Hardeman, Munro, O’Toole, Spina.

Nays

Levac, Martin, Parsons.

The Chair: Section 5 carries.

Amendment number 26.

Mr Hardeman: I move that section 6 of the bill be struck out and the following substituted:

“Government Internet sites

“6. The government of Ontario shall provide its Internet sites in a format that is accessible to persons with disabilities, unless it is not technically feasible to do so.”

We heard quite a number of presenters during our consultation who suggested we had to be more direct in saying we would make every effort to do it. At the same time, we still recognize that if it’s not technically feasible—and we’re talking here about the technical part of creating the Internet site—obviously then it can’t be done. But we do want to make sure that the act is explicit in saying that the priority is to provide it in a format that all people with disabilities can access.

Mr Parsons: I’m an engineer and therefore, by definition, illiterate. However, it seems to me that the amendment is exactly the same as the one it’s amending, for all intents and purposes. We’ve taken “technically feasible” and moved it to the end of the sentence and changed it to “unless it is not technically feasible to do so.” I would suggest in fact this is not an amendment. This is a different sentence structure. For that reason, as I do not

support the original, I can't support an identical amendment.

Mr Martin: Just briefly, an exercise in semantics: when I first looked at this, I thought they'd heard and they were actually going to do something to change this, but in fact they haven't. That's disappointing. With that said, this is a phrase that we heard over and over again that wasn't acceptable, where "technically feasible" lines up with the preceding phrase, "shall have regard to." I'm not sure who's designing these things, but they're obviously very good at it. Weasel words—trying to nail jelly to the wall—just aren't going to do it, and this amendment isn't going to do it either.

Mr Levac: I'm going to say something a little bit different, not so much to be controversial or even to try to change anything. I'm going to accept the government's understanding. As Mr O'Toole began to explain in the previous amendment, I think he was referring to the actual ability of the government to provide that service because it's just not doable because of modern technology.

What I would suggest is that an undertaking be given to communicate. I think Mr Spina was present when I was at another government committee meeting where we discussed communicating with another group when we couldn't come to total agreement on an issue. Once discovered, to its credit, the government did communicate with the other groups. The intent was even explained in better detail other than in the bill, because we couldn't come to an agreement on what description. That was the snowmobilers, Joe, in regard to communicating to the municipalities their concern regarding rights of way. We couldn't come to full agreement on how to put that in the bill and the government did an undertaking to communicate with the municipalities, and it did so.

I would hope that in the same spirit that this be clarified for those people who may see this as just another way of not doing something versus the attempt to do so, to the best of their ability, given the modern technologies of the day. I wouldn't want it being used as an excuse not to provide that service simply because it may cost some money to provide the technology which is available. I'm saying it in that spirit and would hope the government could respond to that and clarify that indeed maybe that's exactly what we are talking about.

Mr Hardeman: Thank you to Mr Levac. I think he, as we would say out in the country, hit the nail on the head. The intent, as was mentioned by others, the wording—it's the same number of words and the same words in the present bill and the amendment, but the reason they have been changed is because, as you read it, to make sure everyone understands the legislation, "The government of Ontario shall provide its Internet sites in a format that is accessible to persons with disabilities ..." That's the statement, but as Mr Levac pointed out, if it's not technically possible or feasible, then it can't be provided.

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The way it's written in the bill presently—there was an assumption that you make the technical feasibility as

part of whether you should or shouldn't, as opposed to the reason why it's not being done. If it is technically feasible, the bill says it is to be done. That's the reason for this wording. That's why it's a good amendment to deal with the issue, but I think we would all agree that if it's not technically feasible, it's going to be very difficult to do it. I can assure you that's the reason for the amendment, though. It's not a big change in the words; it's a change in the impact of the words, to make sure we all understand that our number one priority is to make these Internet sites available to all people, including anyone with a disability.

Mr Spina: Like you, Ernie, I'm not a lawyer, and people assume only Italian lawyers can get into politics. I challenged ministry staff and legal counsel on the use of the word "shall" here and in other parts of the bill. It was as a result of the concern from the greater community during the committee presentations. I'm sure legal counsel for the Leg Assembly here might verify this or challenge it, but it's my understanding that within the context of the legal field or within the justice system, contracts and so forth, the word "shall" constitutes a mandatory environment, very much like people wanted us to use the word "will" instead of "shall." It doesn't leave an option there. The word "shall," from what I understand, constitutes obligation on the part of the party to deliver. I just wanted to bring that forward because it's a small point, it's a small word, but I think it's an important one that where "shall" appears, it constitutes an obligation on the part of, in this case, the government.

The Chair: Do you want a reply from legal counsel on this?

Mr Spina: That's if someone wanted to challenge that and that's their opinion.

The Chair: Because I'm not a lawyer either, so I'm going to have to go to legal counsel.

Mr Albert Nigro: For the record, my name is Albert Nigro. I'm with the office of legislative counsel. The word "shall" usually indicates a mandatory requirement in law, whether it be a statute or in an agreement.

The Chair: Thank you very much.

Mrs Julia Munro (York North): I just wanted to comment on the notions that I think are behind this amendment. "Unless" means just that. There is only one consideration that will be recognized as something that would prevent this from being available. The second thing is that by using this phrase, it allows for the opportunity, where technology changes, to be able to provide this compliance with providing the Internet site. I think those are two important distinctions here in making this amendment change.

Mr Parsons: I continue to be troubled by the concept that there is a waffle phrase that would allow it to not be accessible. There are individuals in this province whose only access to government information is over the Internet. I believe the obligation should be on the government, that if there is a format they wish to use, and the reality is that it is not accessible to the handicapped, then that format's not used. The obligation is to find another

approach that would allow that Web site to convey the information. But to say it's not technically feasible, while it's still accessible to 98% of the population and there's only 2% of the population who can't, is fundamentally wrong. I understand and appreciate the reinforcement of what the word "shall" means, and I continue to believe "shall" is the right word. It should be accessible to all, not nearly all.

The Chair: Any further discussion?

Mr O'Toole: I take exception. I believe that even if we agreed—and I think the intent here has been described by leg counsel that "shall" means they will, and there will be occasionally technical times when it will change and they will change as of tomorrow.

My other point is that I would question the validity of your statement or assumption that there's no other format available. Audiocassettes could be made available. Other formats can be made available and will be made available. To presume, Mr Parsons, that only the Internet site medium would be accessible is an incorrect assumption to start with. This is one of the tools, but not the only one. If it can be managed in a computer medium, then it can be managed in other media: audio, print, Braille, all the other media. Your premise is incorrect.

The Chair: If there's no further discussion, I shall pose the question on amendment number 26, and it will be a recorded vote.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Martin, Parsons.

The Chair: The amendment carries. We'll go to amendment number 27.

Mr Parsons: I move that section 6 of the bill be struck out and the following substituted:
"Government Internet sites

"6. The government of Ontario shall ensure that its Internet sites and the content provided on those sites are barrier-free for users with disabilities."

I believe we've had much of the debate already. I can appreciate that there are other ways to get it, but I would suggest that in many cases the person needs to avail himself or herself of information on the Internet to even be aware of the information being available so they could request it.

The Chair: Any further discussion?

Mr Martin: Just to say I agree fully. This sentence has it all: "The government of Ontario shall ensure that its Internet sites and the content provided on those sites are barrier-free for users with disabilities," full stop, period. That's what it should say.

Mr Hardeman: I will not be supporting this resolution. Again, not to question the Chair's authority, but I wonder what the impact of this resolution is when we just

voted on striking out the whole section and replacing it and this one is striking out the section again. Are they striking out the amended section or the present section?

The Chair: You know this? I've learned something myself this morning. Apparently if this passes, it would strike out the amended section.

Mr O'Toole: So it's out of order.

The Chair: No, it's not out of order. If this amendment passes, it would strike out the previous amendment.

Mr Hardeman: This is an amendment to the amendment.

The Chair: Yes.

Mr O'Toole: Mr Chair, if I could, if you read it, it's referring to a section that existed when it was drafted. That section no longer exists, so it's out of order. The assumption made by the amendment assumes it's amending what existed when it was written. It has since been changed, therefore it's out of order. What does legal counsel say to that?

The Chair: No, I still think the amendment's in order because they had to be submitted by noon yesterday. We just voted on this amendment two minutes ago so consequently I still have to call the vote on this particular amendment. You can vote it down if you so wish, but I still have to proceed with it.

Any further discussion? If not, I shall pose the question on amendment 27. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The motion is lost.

Now we'll go to amendment number 28.

Mr Martin: Withdrawn.

The Chair: Withdrawn.

Shall section 6, as amended, carry? I shall call a recorded vote.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Levac, Martin, Parsons.

The Chair: Section 6, as amended, carries. I'll go to amendment number 29.

Mr Hardeman: I move that section 7 of the bill be struck out and the following substituted:

"Government publications

"7. Within a reasonable time after receiving a request by or on behalf of a person with disabilities, the government of Ontario shall make an Ontario government

publication available in a format that is accessible to the person, unless it is not technically feasible to do so."

1130

The Chair: Discussion?

Mr Martin: Again, the same arguments as with section 6. In my mind, it leaves too much room for interpretation and redefinition under the phrase "technically feasible." Lots of people will see that differently, and it may in fact get in the way of the intention of this section of the act. I'll be voting against.

Mr Levac: This one's more a question of clarification. In the first example, I was somewhat sympathetic to the fact that we may be asking the technological society to be able to provide those services for people with disabilities. In this case, we're talking about publications. In your briefing notes, Ernie, have you got examples as to why the government would necessarily need "if technically available" for a service that's already provided?

Mr Hardeman: I don't have a specific example, but I think it does relate to the same as the previous discussion. If it's being asked for in a certain format but it's not technically feasible and you just can't get it into the format—it could be the Internet site they've asked for. We want to make sure the government is obligated. The reason for this change, again, is to make sure the legislation is clear on the obligation to provide it in a reasonable length of time, but also to make sure that it doesn't obligate the provision of something that is not technically feasible to provide.

Mr Levac: If I can continue? In my mind, I'm trying to come up with examples. Mr O'Toole made reference to his experience in computers, indicating that certain programs or software is not there yet—the proverbial "there yet." In receiving communication from the government as an Ontario publication, if they're being published, if you can cite examples of somebody receiving that service that they can't receive. If I'm not mistaken, we're talking about Braille, hard-of-hearing services, those types of issues that are already functioning. My concern would be that we're saying we can't provide that. I would obviously defer my time if I could get some examples of that.

Mr Spina: I'm not sure if this will help, David, and I know my colleague from Sault Ste Marie would certainly appreciate this from northern Ontario. There are parts of the province which have either no or limited Internet access, specifically in the north and where the communication services are provided by someone other than a large corporation like Bell Canada or Thunder Bay Telephone, for example, or the Internet carrier may not have the flexibility to be able to carry the service.

If I can just elaborate slightly, it's easy enough for the government to provide the service over the Internet. It's a question of whether they can access it. Let us assume they can access it, but even though the government may provide the software flexibility so that a blind person in Toronto may be able to get the audio portion of that through the Internet Web site, when you're in a remote

area, even though you have Internet access, you may not be able to access the audio portion or the video portion of that in the same way you might be able to here. The obligation would be carried out on the part of the government in terms of providing it, but where it's technically not feasible is at the other end because they just don't have it at that site. Doing it the way you suggested might force the government to try to do that, and that's where it becomes really difficult, I suppose.

I'm not sure if that example would help at all. We can offer an audio service, but it may not be able to be accessed in an area that we really don't have a whole lot of control over.

Mr Parsons: I'm always bothered a little bit by the expression "within a reasonable time" because we seem to have quite diverse opinions on what is a reasonable time between those who are producing the information and those who are waiting anxiously for it. However, I think my biggest problem with this is that it, in many ways, reflects two-tier thinking, which is, "We will do the publication for those without disabilities," and then as an afterthought we say, "Well, is it technically feasible, yes or no?" I would suggest, and in fact strongly believe, that from the time we commence to put together a publication, the question should be at that stage, "Is it possible for us to do it in a format that makes it accessible to everyone?" If the answer's no, then we need to look at another format. Making it accessible to the disabled community should not be an afterthought. It should be part of the original foundation in terms of thinking. This strikes me as an add-on.

Mr Hardeman: I have a couple of examples that one might consider in government publications, such as architectural drawings left with the Archives of Ontario. You can't put them in another format, so it's not technically feasible to take those historic architectural drawings and provide them for someone in a different format. Similarly, topographical mapping in government publications cannot be put in other formats that could be used. Those are the technicalities.

The reason the amendment is here is, again, to make sure that everything the government provides in publications must be done, shall be done, unless you run into this type of thing where it's not technically feasible to provide that for topographical mapping. You can't put topographical mapping in Braille.

Mr Levac: No, I appreciate that.

Mr Hardeman: That's the reason for that part of it.

Mr Levac: Can I clarify it with a question?

The Chair: Sure, and then I'll go to Mr Martin.

Mr Levac: Further to that example, I appreciate it because it helps me put into perspective the direction and the intent of the government. Therefore, can I assume that with this legislation, those services that are not now provided are now going to start to be provided, those that are technically feasible, such as Braille?

Mr Hardeman: Yes.

Mr Martin: Just a point of clarification: it is in fact possible to make topographical maps available to the

blind by raising them, and to be read by folks who are blind.

I think there's an assumption being made here that is wrong. Again, it speaks to the need for us to be clear and concise in terms of what we put in this bill. It's the assumption that people with disabilities will be totally unreasonable and not understand that in some instances—Mr Spina mentioned the north, where technically you just can't do things. I remember my colleague Mr Pouliot telling Mr Palladini that in some parts of the north you can't have cell phones, so if your phone's not ringing, it's him calling.

Mr Spina: That's good, Tony.

Mr Martin: That's what he said. But the assumption here is that people with disabilities will be unreasonable or totally unreasonable. They're not. People with disabilities are as intelligent and as in-the-know as any of us here around this table and will not be unreasonable. They will understand. But why put this in there, which will give somebody else the opportunity to make an argument that may be unreasonable or incorrect or totally unsubstantiated in terms of the technical or whatever other factor getting in the way of these publications, this information being available?

I would ask people around this table, please, do not assume for a second that just as we don't, hopefully, become totally and completely unreasonable where our request for and our need for information is concerned—I think the disabled community understands, just as we understand, when it's not available. So why don't we just take that out and give them the same as we do everybody else—the benefit of the doubt?

The Chair: Any further discussion?

Mr Hardeman: I would concede to the member opposite that I was in error; you can make topographical mapping available to the blind. What I was supposed to say was the deaf-blind. That's not technically feasible. So just to correct that.

Mr Martin: The same thing.

1140

The Chair: Thank you very much. If there's no further discussion, I shall pose the question on amendment 29. It will be a recorded vote.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Levac, Martin, Parsons.

The Chair: The motion carries.

Amendment number 30, Mr Parsons.

Mr Parsons: I move that section 7 of the bill be struck out and the following substituted:

“Government publications

“7(1) Ontario government publications shall be barrier-free in both format and content and shall be available to the public in the formats specified by the regulations made under subsection (2).

“Regulations

“(2) Within six months after subsection (1) comes into force, the Lieutenant Governor in Council shall make regulations specifying the formats mentioned in that subsection.

“Other accessible formats

“(3) Upon receiving a request by or on behalf of a person with disabilities for an Ontario government publication in a format required by subsection (1), the government shall make the publication available to the person in that format within a reasonable time that is not later than three working days after the government receives the request.

“Electronic form

“(4) Upon receiving a request by or on behalf of a person with a disability for an Ontario government publication that exists in an electronic form, the government shall make the publication available to the person forthwith in an electronic form that is accessible.”

The Chair: Discussion?

Mr Parsons: We've had a great deal of discussion already on this. I continue to believe that there needs to be an onus on the government to provide full services to every citizen, which I don't believe the previous government amendment provided for.

Mr Martin: This is precisely the kind of change for those who want some kind of enforcement or compliance and some timelines put in place. You'll see these kinds of things—we've already had a couple popping up by way of amendment from the Liberals and ourselves. Amendments creating timelines for action and enforcement are absolutely essential. We heard that over and over again. It was repeated consistently. It was one of the messages that I don't think anybody could have missed, from everybody, including the Ontarians with Disabilities Act Committee. Without these structures in place the bill is actually worthless. We've seen how voluntary compliance works. It leaves us with the inaccessible society we have now.

It's time for this government to put their money where their mouth is and give the ODA the teeth it needs to make real change in Ontario. By accepting this amendment, they in fact will indicate that they want to do that and will move forward in strengthening this bill.

The Chair: Any further discussion? If not, I shall pose the question on amendment number 30. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

We will move to amendment number 31. Mr Martin.

Mr Martin: In the interests of saving some time, it is the same as the previous one and it was defeated; I'll withdraw.

The Chair: Thank you very much.

Shall section 7, as amended, carry? It will be a recorded vote.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Levac, Martin, Parsons.

The Chair: Section 7, as amended, carries.

We go to section 8. Amendment number 32, Mr Parsons.

Mr Parsons: It's not possible to dispense with this, is it?

The Chair: Oh, I'm sorry. Just a minute. Number 32 is out of order because of standing order 56. It does involve spending and I have to rule this amendment out of order.

Mr Parsons: I didn't really mean the dispense part, but you found a way.

The Chair: That's OK. I think the same applies to number 33.

Mr Martin: Excuse me. What was the ruling there?

The Chair: That standing order 56 does not allow for spending public funds.

Mr Martin: I would put an argument forward, and I would ask the clerk to listen to this, that this amendment is not about allocating funds, it's about how we spend funds that have already been allocated, and there's a huge difference there. I would argue that this amendment is in fact in order for that reason.

The Chair: I still have to rule it out of order.

I'll go to the vote on section 8, and it will be a recorded vote.

Mr Martin: Could I ask, with all due respect, for a reason for ruling my argument out of order?

The Chair: It's standing order 56. I still think it is the spending of public funds and standing order 56 does not allow that. I'll have to stick with my ruling. If you wish to appeal it, you know what the proper procedure is.

I shall call the vote on section 8, and it will be a recorded vote.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Levac, Martin, Parsons.

The Chair: Section 8 carries.

We'll go to amendment number 34. Mr Parsons.

Mr Parsons: I move that section 9 of the bill be struck out and the following substituted:

"Government-funded capital programs

"9(1) Capital funding for projects under a government-funded capital program shall be made available only if there is a barrier-free plan incorporated into the project that meets the standards specified in the regulations made under subsection (2).

"Regulations

"(2) Within six months after subsection (1) comes into force, the Lieutenant Governor in Council shall make regulations specifying the standards mentioned in that subsection, which shall include a barrier-free plan for the benefit of all persons with disabilities."

This simply tightens up that the money will not go into a project unless it absolutely meets the standards and it will set a deadline for the regulations to be prepared.

The Chair: Any further discussion?

Mr Martin: This is an amendment very similar—identical, actually—to the one we're putting forward, that again calls for timelines, again calls for some enforcement and incentive to be put in place to actually make some of this happen. Again, I think it's absolutely necessary. If we don't do this, the bill will live up to the cynical expectation that some have of it, that it will in fact actually do nothing.

The Chair: Any further discussion?

Mr Spina: We think section 9 is sufficiently strong. It clearly articulates "an existing or proposed building" and the regulations establish the level of accessibility, and the project shall meet or exceed that level in order to be eligible to receive funding under a government-funded capital program. I don't see anything wrong with this current phrase in the bill itself; therefore we will not support this amendment.

Mr Parsons: We would, in turn, counter back that the Building Code Act itself does not provide sufficient guidance to ensure that the building is fully accessible. On subsection (2), "the government of Ontario may include requirements." We believe the word "shall" is much more appropriate. If there's public funding going, it must be accessible and "may" is a waffle word that allows it to not happen.

The Chair: If there's no further discussion, I shall pose the question on amendment 34. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

We'll move to amendment number 35. Mr Martin.

Mr Martin: Since you've defeated the Liberal amendment, and in the interests of time to debate other things, I withdraw.

The Chair: Thank you very much. Then I shall pose the question on section 9. It will be a recorded vote.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Levac, Martin, Parsons.

The Chair: Section 9 carries.

We'll go to motion number 36. Mr Hardeman.

Mr Hardeman: I move that subsection 10(1) of the bill be struck out and the following substituted:

"Ministry accessibility plans

"10(1) Each ministry shall,

"(a) prepare an accessibility plan as part of its annual planning process; and

"(b) consult with the Accessibility Directorate of Ontario in preparing the plan."

The Chair: Discussion?

Mr Hardeman: I think this just directs the approach to make sure that we have an accessibility plan each and every year, as each ministry plans their business for the year.

Secondly, we heard in our consultation process that there needed to be a consultation process put in place, so we believe that each ministry must consult with the directorate to make sure they are planning and designing a plan that fits the needs of the disability community.

1150

The Chair: Any further discussion?

Mr Parsons: I have some discussion, but first a question to the mover: how does this differ from the original clause, other than adding the letters (a) and (b)?

Mr Hardeman: The wording is actually similar to the present act. The reason it's required is, as we move down to our amendments, we will find an amendment that creates an offence for not preparing a plan, so there is a separation of the two functions.

Mr Parsons: But it in no way, shape or form changes the intent.

Mr Hardeman: No. The intent is to make sure they consult with the directorate and that each year, as part of their planning process, they prepare an accessibility plan.

Mr Spina: Also, just to draw your attention, Ernie, to this redrafting, if you look at the creation of the new section 20.1 as an amendment that we'll likely not be able to get to as part of our debate, it creates a provincial offence for failing to prepare a plan in accordance with 10(1). That's on the part of the municipalities. So this separates the obligation to prepare the plan and the obligation to consult with the Accessibility Directorate of

Ontario, which will be a very specific body. We want to ensure that those penalties will be enforceable.

The Chair: Any further discussion?

Mr Levac: Just a clarification of what Joe just said, or Ernie. This is a ministry accessibility plan, so the amendment you're talking about is referencing fines to the ministry for not preparing plans?

Mr Spina: No, I believe it's the municipalities, David.

Interjection: And the ministries.

Mr Spina: Oh, and the ministries.

Mr Levac: So you could end up fining yourself?

Mr Hardeman: Yes.

Mr Levac: OK.

Mr Hardeman: I would point out that's not unique to this act. There are many acts where ministries are obligated to deliver a service or do something, and if they do not meet that requirement they will be penalized, along with anyone else who has the same obligation. That really is what the need for the division of the two sections is, to be able to apply the enforcement on the preparation of the plan.

The Chair: If there is no further discussion on amendment 36, I shall pose the question. It will be a recorded vote.

Ayes

Hardeman, Munro, O'Toole, Spina.

Nays

Martin.

The Chair: The amendment carries.

We'll go to amendment 37.

Mr Parsons: I move that section 10 of the bill be struck out and the following substituted:

"Ministry barrier-free plans

"10(1) Each ministry has the duty to ensure that the funding, services, programs, practices, legislation and regulations it administers and that its workplace are free of barriers through the development and implementation of barrier-free plans to identify, remove and prevent barriers within the time period specified in regulations that the Lieutenant Governor in Council shall make, in consultation with persons with disabilities and others, within six months after this section comes into force.

"Contents of plan

"(2) A barrier-free plan shall include,

"(a) the comprehensive identification, removal and prevention of barriers to persons with disabilities in the acts and regulations administered by the ministry and in the ministry's policies, programs, practices and services, as well as the ministry's workplace;

"(b) specific action steps and time lines for performing the duties set out in clause (a) and, except if it is not practical, a statement of who is responsible within the ministry for those duties;

“(c) a report on the measures the ministry has taken to identify, remove and prevent barriers to persons with disabilities;

“(d) a statement whether the ministry has met its obligations set out in the plan for the year in which the plan is developed and, if not, the particulars of and reasons for non-compliance;

“(e) a description of the measures in place to ensure that the ministry assesses its proposals for acts, regulations, policies, programs, practices and services to determine their impact on removing and preventing barriers against persons with disabilities and a statement of who is responsible for the measures;

“(f) a report on the acts, regulations, policies, programs, practices and services reviewed during the year in which the plan is developed, the recommendations made to ensure that they are barrier-free, and whether the recommendations were adopted;

“(g) a list of the acts, regulations, policies, programs, practices and services that the ministry will review in the year after the year in which the plan is developed to identify barriers to persons with disabilities and a statement of who is responsible for the review;

“(h) a description of the specific measures that the ministry intends to take in the year after the year in which the plan is developed to identify, remove and prevent barriers to persons with disabilities; and

“(i) all other information that the regulations prescribe for the purpose of the plan.

“Process for developing plan

“(3) In developing and implementing its barrier-free plan, a ministry shall consult with the Barrier-Free Council of Ontario, the Barrier-Free Disability Directorate of Ontario and with persons with disabilities who may be affected by the plan.

“Availability to the public

“(4) A ministry shall make its barrier-free plan available to the public in an accessible format within 10 days of the plan receiving the signatures of the ministry's minister and deputy minister.

“Enforcement of plan

“(5) The Ontario Human Rights Commission shall review all barrier-free plans for which it has reasonable grounds to believe that a ministry has not complied with the plan and in conducting the review the commission has all of the investigation powers that it has for investigating a complaint under the Human Rights Code.”

The Chair: Discussion?

Mr Martin: This is similar to the motion that we have following this, and we will be supporting it. This is clearly our effort to stiffen this act up and give it some ability to actually see the light of day and have some effect in terms of putting in place plans. It identifies very clearly in a number of places the need for somebody to be responsible, somebody we can put a hat on re the enforcement of these plans.

It also speaks to the need for very clear communication and direction between the responsible bodies and the Barrier-Free Council of Ontario and the Barrier-Free

Disability Directorate. The feeling I have from listening to some of the folks in the disability community is that they're actually not quite sure yet what ability the Barrier-Free Council, both at the provincial and municipal levels, will have, what kind of consultation will take place, what responsibility they will have and what teeth they will have to actually make sure that what they've recommended happens.

The amendments that are put forward here will very clearly do that. It calls on the government to be very specific and defined in the plans that come forward and who is responsible for making sure that they in fact happen. It calls for very clear communication and lines of responsibility and accountability between the government and the councils and directorate. I'll be supporting this amendment.

Mr O'Toole: I'll first make it clear that I won't be supporting this, primarily because it goes into far too much detail that would preferably be done in regulation, which would not cause you to need to amend the legislation at some future point. I think really we've provided a broad framework in this document which provides a better mechanism for allowing this to be a living, changing, growing, improving legislation.

The other thing is if you look at the amendment we have passed, it has broken it down to access as well as ministry.

The other thing with the further future amendment, which we've referred to, is the future section 20 has a provision for being punitive. So the enforcement has been strengthened and we've certainly improved the clarity between the two points of having a plan at each ministry, and there's some responsibility for that. So we just fundamentally disagree. There's far too much detail in this.

Mr Parsons: Large organizations such as government ministries are somewhat like slow-moving ocean ships: they change direction slowly and with some difficulty. We believe that this requires some direction, some impetus, some guidelines and some force of law to make the change happen, because the natural inclination of any large body is to continue doing what it's doing. We believe it is necessary to go into these details and establish the process such that the change has to happen. Otherwise, given the priorities and given the pressures, they don't happen in a time frame that is reasonable.

The Chair: If there's no further discussion, I shall put the question on amendment 37. It will be a recorded vote.

Ayes

Levac, Martin, Parsons.

Nays

Hardeman, Munro, O'Toole, Spina.

The Chair: The amendment is lost.

Mr Martin: On a point of order, Mr Chair: Could I ask for unanimous consent that we continue beyond 12 of the clock, until 1 of the clock, so we can further debate these amendments? As you know, when we come back at 4 o'clock there is no debate; there is simply a putting of the amendments and a voting.

The Chair: Do I have unanimous consent? No.

Therefore, it being 12 o'clock, I shall recess the committee until 4 o'clock this afternoon.

Mr O'Toole: Mr Chair, just one more formality. Could we pass section 10? We've dealt with all the amendments.

The Chair: No, we still have 38.

Mr O'Toole: Then you start at 11; you don't have to start 10 all over again.

The Chair: I will recess until 4 o'clock.

The committee recessed from 1201 to 1606.

The Chair: If I can get your attention, I'd like to bring the standing committee on finance and economic affairs to order. According to the proceedings of November 21, I would like to inform the committee "that, at 4 pm on the day of clause-by-clause consideration of the bill, those amendments which have not been moved shall be deemed to have been moved and the Chair of the committee shall interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of the bill and any amendments thereto."

Consequently, I think you have the copies of the motion in front of you. I'll go to section 10, NDP motion number 38. We'll call the vote and it will be a recorded vote, which was requested this morning on each motion.

On page 38, NDP motion: all those in favour? All the recorded votes will be deferred to the end. Just a moment, I've got to get my bearings here.

We'll go to page 38, an NDP motion: a recorded vote, which will be deferred.

We'll go to page 39, which is a government motion.

Mr Spina: On a point of order, Chair: could you clarify for our benefit what you mean by deferring the vote? At the end of the section, or will the votes be taken as NDP, Liberal, government, or what? Please, if you'd be kind enough to explain that.

The Chair: I have to defer the vote until the end of the bill, until we read all of the motions. There are 126 amendments. We'll call the 126 amendments and then we'll come back and vote on each amendment after, and then we'll be able to do each section.

Mr Spina: OK. Each one does not have to be read in?

Mr O'Toole: No. They're all deemed to be moved anyway.

The Chair: Yes, they're all deemed to be moved.

On page 39, it's a government motion and a recorded vote, which is to be called later.

Page 40 is a Liberal motion; a recorded vote had been requested, which will be called later.

On page 41 is an NDP motion; a recorded vote has been called for, which will be dealt with later.

Page 42, a government motion; a recorded vote has been called for and will be dealt with later.

Amendment 43, a Liberal motion; a recorded vote has been called for, which will be dealt with later.

Amendment 44, an NDP motion; a recorded vote has been called for. The vote will be called later.

Amendment 45 is a Liberal amendment; a recorded vote has been called for. We'll call the vote later.

NDP motion, amendment 46; a recorded vote has been called for. The vote will be called later.

Page 47, government amendment; a recorded vote has been called for which would be called later.

Page 48 is a Liberal motion; a recorded vote has been called for, which will be called later.

Page 49, an NDP motion which a recorded vote has been called for, which will be called later.

Page 50, a Liberal motion; a recorded vote has been called for which would be called later.

Page 51, an NDP motion; a recorded vote has been called for, on which a vote will be called later.

Page 52 is a government motion; a recorded vote has been called for, which would be called later.

Page 53, a Liberal motion; a recorded vote has been called for, which will be called later.

Page 54, an NDP motion; a recorded vote has been called for, which will be called later.

Page 55 is a government motion; a recorded vote has been called for, which will be called later.

Page 56 is a Liberal motion; a recorded vote has been called. The vote will be called later.

Page 57, an NDP motion; a recorded vote has been called for. The vote will be called later.

Page 58 is a Liberal motion; a recorded vote has been called for. The vote will be called later.

Page 59 is an NDP motion; a recorded vote has been called for. The vote will be called later.

Page 60 is a government motion; a recorded vote has been called for and the vote will be called later.

Page 61 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

On page 62 is an NDP motion; a recorded vote has been called for. The vote will be called later.

Page 63 is a Liberal—it's not a motion, it's a recommendation. It's strictly a recommendation which will be dealt with later.

Page 64 is the same thing; it's not a motion.

Page 65 is a Liberal motion; a recorded vote has been called for, which will be called later.

Page 66 is an NDP motion; a recorded vote has been called, which will be called later.

Page 67 is a Liberal motion; a recorded vote has been called. The vote will be called later.

An NDP motion on page 68; a recorded vote has been called, which will be called later.

Page 69 is a Liberal motion; a recorded vote has been called, which will be called later.

Page 70 is an NDP motion; a recorded vote has been called, which will be called later.

Page 71 is a government motion; a recorded vote has been called for. The vote will be called later.

Page 72 is a government motion; a recorded vote has been called for, which will be called later.

Page 73 is a Liberal motion; a recorded vote has been called. The vote will be called later.

Page 74 is an NDP motion; a recorded vote has been called. The vote will be called later.

Page 75 is a Liberal motion; a recorded vote has been called. The vote will be called later.

Page 76, an NDP motion; it's a recorded vote. The vote will be called later.

Page 77 is a government motion; a recorded vote has been called for. The vote will be called later.

Page 78, a government motion; a recorded vote has been called for. The vote will be called later.

Page 79 is a government motion; a recorded vote has been called for. The vote will be called later.

On page 80 is a Liberal motion; a recorded vote has been called for. The vote will be called later.

Page 81 is an NDP motion; a recorded vote has been called for. The vote will be called later.

Page 82 is a government motion; a recorded vote has been called for. The vote will be called later.

Page 83 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 84 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 85, a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 86, an NDP motion; a recorded vote has been called for. The vote will be called later.

On page 87 is a Liberal motion; a recorded vote has been called for. The vote will be called later.

Page 88, an NDP motion; a recorded vote has been called for. The vote will be called later.

Page 89 is a Liberal motion; a recorded vote has been called for. The vote will be called later.

On page 90 is an NDP motion; a recorded vote has been called for. The vote would be called later.

On page 91 is a government motion; a recorded vote has been called for and the vote will be called later.

Page 92 is a Liberal motion; a recorded vote has been called for. The vote will be called later.

Page 93 is an NDP motion; a recorded vote has been called for. The vote will be called later.

Page 94 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 95 is an NDP motion; a recorded vote has been called for and the vote will be called later.

On page 96 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

On page 97 is an NDP motion; a recorded vote has been called for and the vote will be called later.

On page 98 is a government motion; a recorded vote has been called for and the vote will be called later.

Page 99 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 100, an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 101 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 102 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 103: it's a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 104 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 105, a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 106 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 107 is a government motion; a recorded vote has been called for and the vote will be dealt with later.

Page 108 is a Liberal motion; a recorded vote has been called for and will be dealt with later.

Page 109, an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 110, a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 111, an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 112 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 113 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 114 is a government motion; a recorded vote has been called for and the vote will be called later.

Page 115 is a government motion; a recorded vote has been called for and the vote will be called later.

Page 116 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 117 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 118 is a government motion; a recorded vote has been called for and the vote will be called later.

Page 119 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 120 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 121 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 122 is an NDP—

Mr Peter Kormos (Niagara Centre): Point of order, Chair.

The Chair: A recorded vote has been called for and the vote will be called later.

The Chair: On your point of order, sir.

Mr Kormos: Yes, Chair. I say it would be a little more convincing if at least you would feign sincerity, or interest.

The Chair: I don't think that's a point of order.

Page 123 is a government motion; a recorded vote has been called for and the vote will be called later.

Page 124 is a Liberal motion; a recorded vote has been called for and the vote will be called later.

Page 125 is an NDP motion; a recorded vote has been called for and the vote will be called later.

Page 126 is a government motion; a recorded vote has been called for and the vote will be called later.

1620

We'll go back to page 38, which is an NDP motion. I will pose the question. All those in favour of motion 38?

Ayes

Dombrowsky, Martin.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Shall section 10, as amended, carry? All those in favour?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 10, as amended, carries.

All those in favour of motion 39?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.

All those in favour of Liberal motion 40?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

All those in favour of NDP motion 41?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Shall section 11, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 11, as amended, carries.

Government motion 42, all those in favour?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.

Liberal motion 43, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

NDP motion 44, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Liberal motion 45, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

NDP motion 46, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Government motion 47, all those in favour?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.
Liberal motion 48, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 49, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall section 12, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 12, as amended, carries.
Shall Liberal motion 50 carry?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: the motion is lost.
Shall NDP motion 51 carry?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall section 13 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 13 carries.
Government motion 52, all those in favour?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.
Liberal motion 53, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Number 54 is a duplicate of 53.
Shall section 14, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Smitherman.

The Chair: Section 14 carries.

Government motion 55, all those in favour?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.

Liberal motion 56, all those in favour?

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Motion 57 is a duplicate of 56, so we'll vote on the section.

Shall section 15, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 15, as amended, carries.

Liberal motion 58:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Motion 59 is a duplicate of 58, so we'll vote on section 16.

Shall 16 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 16 carries.

Government motion 60: shall motion 60 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Motion 60 carries.

Liberal motion 61:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Motion 62 is a duplicate of 61. We'll vote on the section.

Shall section 17, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 17, as amended, carries.

Section 18, the Liberal motion 63. All those in favour? It's not a motion. I'm sorry. It is strictly voting against. We have to vote on the section itself.

Shall section 18 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 18 carries.

Liberal motion 65, section 19:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 66:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Liberal motion 67:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 68 is a duplicate of 67.
We'll go to Liberal motion 69:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 70 is a duplicate of 69.
We'll go to 71, which is a government motion.

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.
Motion 72 is a government motion.

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.
Motion 73 is a Liberal motion.

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is defeated.
Motion 74, an NDP motion:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 75 is a Liberal motion.

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 76 is a duplicate of 75, so we'll vote on the section.
Shall section 19, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Section 19, as amended, carries.
We'll go to government motion 77, under section 20.

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.
Government motion 78:

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: Government motion 79:

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

1630

The Chair: We'll go to motion 80, a Liberal motion.

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 81:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Government motion 82:

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Dombrowsky, Martin, Smitherman.

The Chair: The motion carries.
Liberal motion 83:

Ayes

Dombrowsky, Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

It was pointed out that you subbed in until 4:30.

Mrs Leona Dombrowsky (Hastings-Frontenac-Lennox and Addington): Yes.

The Chair: Motion 84 is an NDP motion.

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Shall section 20, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 20, as amended, carries.
Liberal motion 85, under section 21:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Motion 86 is a duplicate of 85, so we'll go to 87.

Shall Liberal motion 87 carry?

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Motion 88 is a duplicate of 87, so we'll go on to 89.

Shall Liberal motion 89 carry?

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall NDP motion 90 carry?

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall section 21 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 21 carries.
Under section 22, government motion 91:

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Motion 92 is a duplicate of 91, so we'll go on to 93. It's also a duplicate of 91, so we'll go to Liberal motion 94.

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 95 is a duplicate of 94, so we'll go to 96.
Shall Liberal motion 96 carry?

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 97 is a duplicate of 96, so we'll go to 98.
Shall government motion 98 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: The motion carries.
Liberal motion 99:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 100 is a duplicate of 99. We'll go to Liberal motion 101.

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 102 is a duplicate of 101, so we'll go to 103.
Shall Liberal motion 103 carry?

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 104 is a duplicate of 103, so we'll go to Liberal motion 105.

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Motion 106 is a duplicate of 105, so we'll to government motion 107.

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Smitherman.

The Chair: The motion carries.
Liberal motion 108:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Motion 109 is a duplicate of 108, so we'll go to Liberal motion 110.

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 111:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall section 22, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 22, as amended, carries.
Section 23: we have Liberal motion 112.

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
We have NDP motion 113.

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall section 23 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 23 carries.
Shall section 24 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 24 carries.
Shall section 25 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 25 carries.
We go to section 26, government motion 114.

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: The motion carries.
Government motion 115:

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: The motion carries.
Liberal motion 116:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 117:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Government motion 118:

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: The motion carries.
Shall section 26, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 26, as amended, carries.

Under section 27, Liberal motion 119:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 120:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall section 27 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 27 carries.
Under section 28, Liberal motion 121:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
NDP motion 122:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.
Shall section 28 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 28 carries.

Under section 29, government motion 123 is out of order as the motion opens up a section of the Municipal Elections Act. I would need unanimous consent to put this motion on the table. Do I have unanimous consent? Agreed.

Under section 29, government motion 123:

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: The motion carries.

Liberal motion 124:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

NDP motion 125:

Ayes

Martin, Smitherman.

Nays

Hardeman, Klees, O'Toole, Spina.

The Chair: The motion is lost.

Shall section 29, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 29, as amended, carries.

Shall section 30 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 30 carries.

Shall section 31 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 31 carries.

Shall section 32 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 32 carries.

Shall section 33, the short title of the bill, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Section 33 carries.

Shall schedule 1 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Schedule 1 carries.

Shall schedule 2 carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Schedule 2 carries.

I'm told that they're all one schedule, so we don't have to go to 3, 4 and 5. One vote will do it.

Under the preamble, there's government motion 126.

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: The motion carries.

Shall the preamble, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Shall the long title carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: The long title carries.

Shall Bill 125, as amended, carry?

Ayes

Hardeman, Klees, O'Toole, Spina.

Nays

Martin, Smitherman.

The Chair: Bill 125, as amended, carries.

Shall I report the bill, as amended, to the House?

Ayes

Hardeman, Klees, O'Toole, Spina.

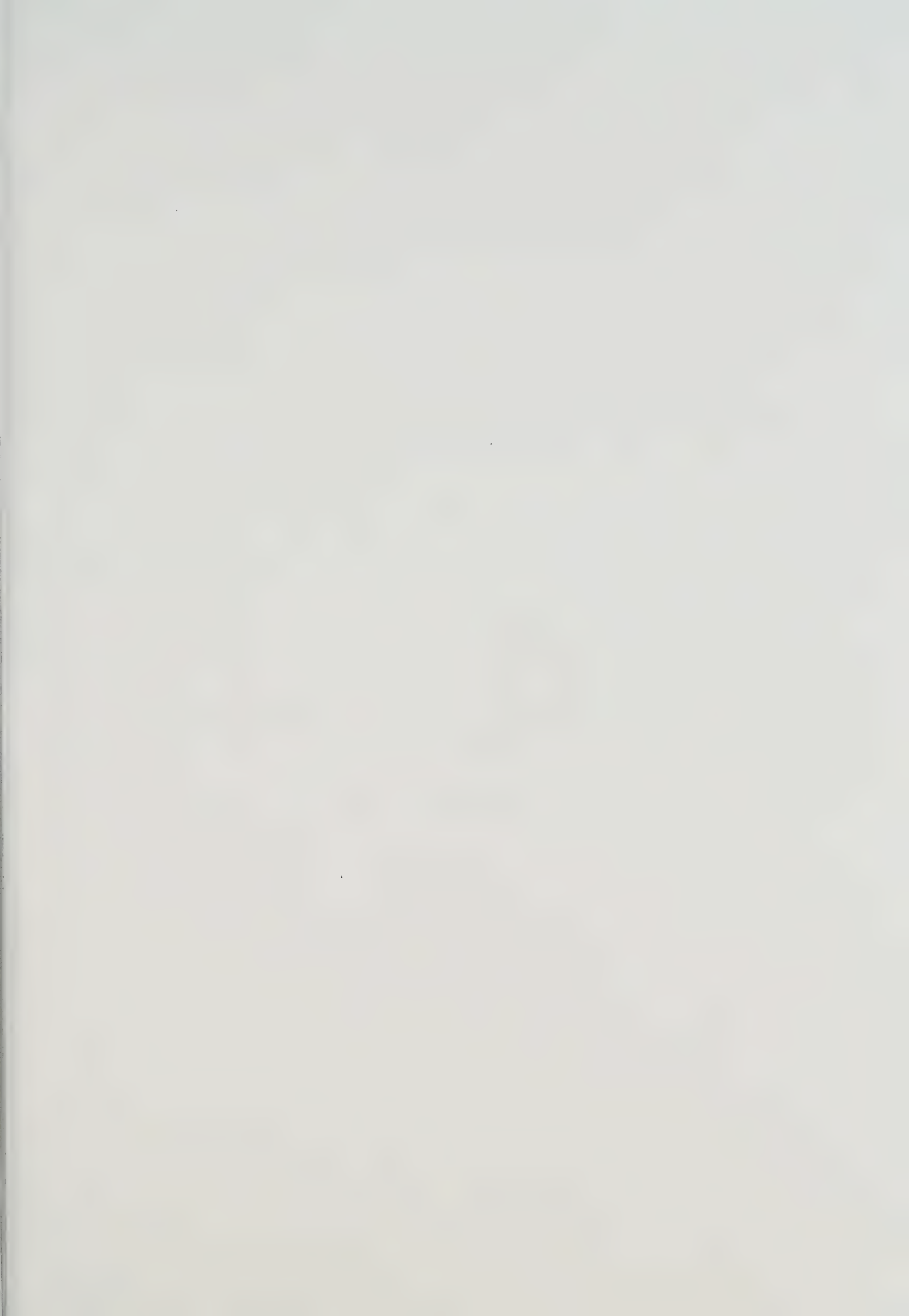
Nays

Martin, Smitherman.

The Chair: That motion carries.

I now declare this committee adjourned.

The committee adjourned at 1644.





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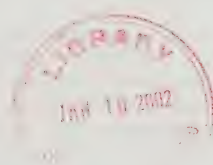
Jeudi 13 décembre 2001

**Standing committee on
finance and economic affairs**

Subcommittee report

**Comité permanent des finances
et des affaires économiques**

Rapport du sous-comité



Chair: Marcel Beaubien
Clerk: Susan Sourial

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 13 December 2001

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 13 décembre 2001

The committee met at 1006 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr Marcel Beaubien): If I can get your attention, it's five after and we'll bring the committee to order. We're here to consider the subcommittee report. However, there are two issues that I would like to point out with regard to the subcommittee report. It was never really completed before, so I think we have two options. One is to put the finishing touches to it and accept it, or we can start from scratch. It's up to the committee members to decide as to which way they want to proceed.

Mr Gerry Phillips (Scarborough-Agincourt): Do we know how many days we're going to get of hearings?

The Chair: We don't know. Once the subcommittee report is accepted, then we have letters that will go out to the minister. I think here we have suggested—what? How many days?—nine days.

Mr Doug Galt (Northumberland): I think that was one thing being discussed; rather than specific dates, putting it up to a maximum of nine days.

Mr Phillips: Does that include report writing or excluding report writing?

The Chair: No, that's excluding the report writing.

Mr Phillips: From my view, the first one I don't have a problem with, the Minister of Finance for two hours, and then I assume his staff will be available.

Mr Ernie Hardeman (Oxford): If we're going through that, I'm quite prepared to—

The Chair: Maybe that's the way we should start.

Mr Hardeman: I think that's really a question of where we're going here. On that one, I would suggest that it is the two hours. The minister in the past has not used that time. I have no problem with the two hours, providing we all understand that part of the hour that's allocated for the minister to make a presentation will be used by ministry staff to make presentations and to answer questions from the members of the committee. The only thing that would be binding, I suppose, would be the 30 minutes per party.

Mr Phillips: I'm not sure I heard that.

Mr Hardeman: It says here, "The Minister of Finance be offered two hours in which to make a presentation." That presentation will include the ministry presentation. At least in the past, the minister has not come in and spoken for two hours to make a presentation.

The Chair: So what you're suggesting is the minister and ministry staff would be here for two hours, but the minister may not be here for the two hours himself.

Mr Hardeman: Yes, exactly.

Mr Phillips: But each party gets a chance to ask questions for 30 minutes. Is that right?

Mr Hardeman: Yes.

Mr Phillips: I can't understand the arithmetic here.

Mr Joseph Spina (Brampton Centre): I'd like to ask a question to help clarify that too. I understand, I think, what Ernie is driving at. There will be two hours for the minister and ministry staff to do presentations and do Qs and As. What I was puzzled about is the 30 minutes per party. Is that over and above the two hours? That's what I'm kind of asking, Ernie.

The Chair: I think it would be folded within that period of time.

Mr Spina: Within that two hours?

Mr Hardeman: For clarification, the word "and" is there, so "the Minister of Finance be offered two hours in which to make a presentation 'and' answer questions from the three parties (30 minutes per party)." There would be a straight presentation of up to half an hour, and then there would be an hour and a half for dialogue between the minister, ministry and the committee.

Mr Spina: What we're saying is that the full time is two hours, and then it's how we break it up.

Mr Hardeman: Yes.

Mr Spina: That's what we're driving at here. I understand that. Is that clear for you, Gerry?

Mr Phillips: Yes. My preference would be that there be a two-hour block: the minister presents for half an hour and then half an hour of questions from each of the three caucuses.

Mr Spina: Yes, and that's two hours.

Mr Phillips: But my preference also would be that the staff be available perhaps in the afternoon for an hour to answer questions, because normally each of the caucuses has got more detailed questions that the minister doesn't have to be there for. Are you with me there? At least in the past it's been that the staff came back in the afternoon for a period of time to give each of us a chance to ask more detailed questions.

The Chair: We can change this report.

Mr Hardeman: This recommendation, as we discussed it at the subcommittee, was not dealing with any further presentation. The subcommittee discussed having

the Minister of Finance present to us, and then to make sure that all caucuses had an opportunity to question and discuss the presentation, we put the 30 minutes in. My only comment now was that I wanted to make sure the committee understood that the Minister of Finance in the past, nor is he suggesting in this consultation process that he would necessarily use that half-hour to make his presentation, and that we understand that the staff will be here to use up the rest of the time for the presentation and then will stay here for the hour and a half to answer questions that would be more directed to the ministry than to the minister.

Mr Spina: I don't have any problem with the minister and the ministry staff being here concurrently, because they're here anyway to back the minister up. If we're asking questions we can either choose to direct them to the minister or to the staff; or, if the minister is here, he can defer them to staff; or, if he has to leave, then we still have staff around for the remaining time. I don't see any problem with the staff being here concurrently with the minister or the staff certainly being here for the full two hours and the minister with whatever time he has available after his presentation. I don't know that there's any more information that we could extract from the ministry staff by having an additional session beyond that.

Mr Monte Kwinter (York Centre): In the past what has happened is that the minister has come in and made a presentation basically on his own, and then the deputy comes in and usually does a show-and-tell kind of presentation. We'll have charts and projections and things of that kind. Then we get a chance to ask some questions. The only concern I have is that when you get a half-hour total, effectively—not the staff, but just the minister and the deputy—there may be a need to just delve into some of the stuff, and we run out of time to do it. I think it would be useful to be able to have the opportunity to talk to technical staff about some of the material that is presented to us and that there be built in somewhere in the afternoon an opportunity to do that, if required.

Mr Spina: I guess the concern, Monte, is that the presentation between the minister and the ministry staff, if it went beyond the 30 minutes, could comprise the 30 minutes per caucus. Is this what you're concerned about?

Mr Phillips: I assume that right now what everybody's agreed on is that there will be a two-hour block. The minister and, if he wants, the staff will make a presentation, and then each caucus will have 30 minutes to question the minister. That's all fine.

I'm just saying, based on past experience there's often a kind of detail that you want to get into about whatever—economic forecasts, revenue forecasts, those sorts of things—that are detailed discussion that need not involve the minister. I think in the past we've set aside one or two hours in the afternoon for the senior staff to come back to answer detailed questions. That would be my preference: we set the two-hour block with the minister and then we set aside some time where the staff can be available for more detailed questions.

Mr Hardeman: I have no problem with, at some point as we are going through the process, suggesting that if the committee feels that, particularly after the consultations have been held, we need more time with ministry staff or for further discussion, I have no objection to that. But I do think it's important that this process is set up to do pre-budget consultations with the public, not for the committee to spend the allocated time talking to our ministry staff. That opportunity is available on a regular basis all the time. So I think the intention here of the sub-committee was to make sure that we had a basis on which to start our consultation, which comes from the minister and the ministry. We felt that two hours of getting us started, shall we say, was sufficient.

I would suggest that we leave it at that and if, during the process or even that day, all agree that we need more time with ministry staff, we ask them to come back. I think that's a more appropriate way of dealing with it.

Mr Phillips: It's just that I have a different view of what the purpose of this committee is. The purpose of this committee is that we're the legislative finance and economic affairs committee which is giving the minister and the government our best advice on what should be contained within the budget. Part of that is public input, but part of that is sort of the collective wisdom of the group. To me, part of that is as good an understanding as we can of the lay of the land as our senior financial officials see it—economically, fiscally, that sort of thing.

For me, yes, the public input is very important, but also just where the minister sees things going and the detail for his staff. So I view that as a very important part of our background. We're not just here, in my opinion, to report on the public impression but really to give our best advice to the government on direction.

Mr Hardeman: I guess our fundamental difference here is not how long or whom we speak to. I guess it is, as Mr Phillips said, what the purpose of the committee is. I don't believe that it is to have discussions with our ministry. As the direction is, it's the pre-budget consultations with the public. I believe that in that pre-budget consultation, in order for the committee to make recommendations, if we need more information from our staff, I think we have an opportunity as a committee at any point in time to pass a resolution asking staff to come and make that presentation. I don't have any problem with that. Starting the committee off with two hours of bringing the committee up to speed as to where the finances are and where they're going and projected to be going by the minister, for starters, is sufficient.

1020

Mr Spina: I agree with my colleague. I think the intent of this initial session is really a briefing for the committee members, as Ernie said, to bring us up to speed. If we do need information after that two hours that's been requested by any of us, either the opposition parties or the government members, we can ask the ministry staff to provide that to us in sufficient time through the clerk so that we have some answers to those issues in preparation for the actual committee hearings.

I understand where my colleague's coming from, that this is really a briefing session for the opposition and the government members to be able to prepare ourselves for the public hearings. I think the two hours is likely, then, sufficient for that.

The Chair: I guess I'll go to point 2 with regard to the meeting dates. I asked the clerk whether she knew when the March break is. Unless somebody knows—

Mr Phillips: I believe it's the 11th to the 15th. I'm almost positive.

Mr Spina: My wife's a teacher, and that's right.

The Chair: So it's the 11th to the 15th?

Mr Spina: I believe so.

The Chair: So then the committee should be sitting from February 25 to 28 and the 4th to the 8th? So we can strike out the bracket. Is that OK, Mr Hardeman?

Mr Hardeman: Yes, Mr Chairman, but I thought the March break would be a great opportunity for everyone to be able to present to the committee. I thought that would be when we would want them, not when we would not want them.

The Chair: I'm told that Mr Spina and Mrs Spina are going on holidays.

Mr Hardeman: OK, well, we appreciate that and I would agree then that we set that week as the week opposite to the one that is the March break for the consultation.

The Chair: So that is acceptable?

We'll go to point 3.

Mr Phillips: Does that mean we sit Monday till Thursday one week and Monday till Friday the next week?

The Chair: According to this, whatever they've—4th, 5th, 6th, 7th, yes.

Mr Galt: Yes, that's the way it's listed.

Mr Phillips: There was a reason to not sit on the 29th? I'm not sure it matters to me. I guess there is no such thing as the 29th.

Mr Galt: That's March 1.

Mr Phillips: March 1.

The Chair: I can't remember the discussion.

Mr Hardeman: I think we're trying as hard as we can to use as few Fridays as possible. I know a lot of members, including myself, have a regular schedule where we meet with our constituents on Friday.

Mr Phillips: I'm fine with that. It gives us nine days.

Mr Hardeman: That's why, but we felt in order to get sufficient days in the other week it was required, to get to our nine days of course, that we would have to collectively give up a Friday to do that.

Mr Galt: It's not a personal concern of mine but I know some boards will take Remembrance Day and add it to that week, either the Friday or the Monday after. If they're adding it the Friday before as an extra day to encapsulate the mid-winter break, it might be problematic for a few people if we're meeting on March 8. I just toss that out. Our board rates the day off school for Remembrance Day but they hold school on the 11th. This year—I'm just thinking through—I guess they've just

come through Remembrance Day on a Sunday, so it wouldn't be movable; therefore, they wouldn't get that extra day, would they? Anyway, just a thought that in the past, that has been added to the mid-winter break.

The Chair: We're on point 2, Mr Christopherson. Basically, all we've done is strike the bracket because the March break is March 11 to 15. So we'll be meeting on February 25 to 28 and March 4 to March 8.

Then we'll go to point 3. I think what we have to do with the travelling is to decide the logistics of it.

Mr Phillips: I remember in the year 2000 we went to, I think, five places, and my recollection—

The Chair: Yes, they're listed there, I think.

Mr Phillips: Yes, they are. My recollection was that we had kind of discussed—it's a different committee of course, different members—that we were going to move to three a year travelling, for cost reasons. As I recall it there were a lot of people who wanted to present in Toronto, but there wasn't time in Toronto and there was some expense involved for them travelling to the communities. Was there a reason why we moved back from three to five days of travel?

The Chair: My recollection of the discussion during the subcommittee meeting was that they wanted to meet in Windsor because of the 9/11 situation, the border-crossing situation and, of course, the health of the auto industry at this point in time.

In Sault Ste Marie, I think it was with regard to Algoma and the impact on the community. Timmins, Belleville and Owen Sound: I think they just—and I stand to be corrected—wanted to cover different parts of the province. But Mr Hardeman, if you want to expand on that.

Mr Hardeman: I've given it some thought and I will be making some recommendations to change the cities that are on the report. The Chair will be aware that I was not in agreement with the cities that were picked or how they were set. I suppose one of the reasons that the report is not finalized is because we felt there was more time and consideration needed.

I would suggest that we change Sault Ste Marie and Timmins to the city of Sudbury, and then Barrie, Cobourg and Waterloo.

Mr David Christopherson (Hamilton West): I understand the situation. You're still the PA there, right, Ernie? Parliamentary assistant over there?

Mr Hardeman: Yes.

Mr Christopherson: I understand you weren't at the last meeting; I wasn't at the last meeting either. That's fair enough. As a result, if you came in and offered a one-city change because the government feels differently about one particular aspect, perhaps, or even an argument put forward by your representative at the subcommittee, but I've got to tell you, to roll in here when you weren't at the meeting—

Mr Hardeman: I was.

Mr Christopherson: That's even worse. You were at the meeting.

Mr Hardeman: Mr Chairman.

Mr Christopherson: Let me finish. My point is that to come in and make a few incidental changes is one thing; to roll in here with a whole different agenda of what cities—

Mr Hardeman: Mr Chairman.

The Chair: Well, I'll let Mr Christopherson finish and I'll come back.

Mr Christopherson: If Ernie has something to add—because if I'm off base, fine—

Mr Hardeman: Just for clarification, it was explained to us when we started this meeting that we don't have an approved subcommittee report before us. What we have is a draft that the committee can either accept or reject or change in any way they see appropriate. We don't have a report from the subcommittee that says this is what they're recommending. We had some general discussion but we never prepared a report.

Mr Christopherson: Fair enough. But in fairness, Chair, there was an organizing meeting; there is a process to these things. We do have organizing meetings. It's not unusual for the government or one of the opposition parties to be off side on one or two points. Normally, when it's us we have to sort of swallow and live with it because we don't have the votes. That's still a whole lot different, Ernie, than rolling in here and just sort of dictating, "Here's the five cities." Quite frankly, I think you changed every single one of them.

If the government was that far off from the report, at the very least there should have been a call for a second subcommittee to try and reach some kind of consensus. Normally—and I've been doing this for an awful long time now, on both sides of the House—you can reach pretty close to consensus on most of the communities. There may be one or two at the end of the day where the government rolls in with a majority and sort of lays down the law as to what they want; fair enough. But to just come in and dictate a whole completely different schedule comes across as really entirely disrespectful of the opposition parties and the purpose of subcommittees.

I don't recall this ever happening. Whether there was a full report or not, I don't recall the whole thing being wiped out in the past and you just dictating the way it's going to be, which is ultimately what you're doing if you make this a motion. You guys are going to win, 10 votes out of 10. It really starts to make a mockery of the whole idea that the opposition has some kind of role to play in deciding the activities of this committee.

1030

Mr Hardeman: I think in clarification, the list that is before us was generated exactly that way. It's a list that was presented to us by the opposition parties. At that meeting we made no commitment or any alternative suggestions because we wanted to look at that list and to consider where would be the most appropriate places to hold these hearings.

I don't disagree with Mr Christopherson that maybe the appropriate way would have been to have another subcommittee meeting where this would have been presented. That was not the opportunity provided. That un-

finished report was presented here to this committee so we have the same debate with all the members of the committee as opposed to with just the subcommittee. That's where it's at, Mr Chairman.

Mr Kwinter: If I could just recollect—because I was at that subcommittee meeting—that was a collective decision. It wasn't the opposition coming in and saying, "Here's where we want to go," and him saying, "Put it down and we'll deal with it."

Mr Hardeman: Yes, it was.

Mr Kwinter: No, it wasn't. It was something where we talked about each individual city and why we would choose it. Everybody had input into it.

I agree that the draft subcommittee report was never ratified, but certainly everybody had input into it.

If that's a decision to go to other cities, I have no problem with that, but I just want to make sure that it's understood that this was not a list that was presented by the opposition which said, "Here's where we would like to go." We discussed it. I remember talking about why we wanted to go to Sault Ste Marie, why we wanted to go to Windsor. There was some discussion about some other northern cities. The consensus seemed to be Timmins; that we wanted to go somewhere in eastern Ontario, and it was evolved that way. It was absolutely not a unilateral decision by one party or the other. It was the subcommittee that kicked it around and said, "Here are the cities that we would recommend."

If you want to change that, that is certainly the right of this committee, but I just want it understood that it was not a list that was presented by the opposition. It was discussed. I don't think there was any predisposition to any municipality. It was just, "Where do you think we should go, and why?"

The Chair: For the record, the reason why the subcommittee report was never completed is that we were given, as a committee, Bill 125 to have public hearings on and consequently we had no time to complete this report. I just want to clarify that.

Any further discussion?

Mr John O'Toole (Durham): Completely on a different topic, with your indulgence I'd like to introduce Greg Greenough, who's a grade 10 student from Port Perry high school who's actually on a career day with his class. He's job shadowing me, and I'd like to welcome him. Of course, Nathan is my intern and everyone probably knows Nathan.

I'd just like the members to recognize him. It will be reported in our books that he'll be assessing me and reporting back to his grade 10 class in Port Perry. He's witnessing the difficulty of committee work in determining where they travel to.

Mr Christopherson: Mr O'Toole probably has offered up the only unanimous agreement we're all going to reach. Let's just take that moment and welcome them. All parties welcome you. Have a great day here.

The Chair: On behalf of the committee, welcome.

Applause.

The Chair: OK, we'll go back to the travelling now.

Mr Spina: Chair, if I understand this, then, because of what you just described, the subcommittee wasn't finalized and essentially what we've done here today is that this is becoming the subcommittee decision-making process with the full committee in attendance. Obviously—

Mr Christopherson: Pretty good, Joe.

Mr Spina: Yes, I sometimes need you to help me, David.

What I was interested in was hearing some of the rationale behind some of the cities that took place in the subcommittee discussion. Was there a reason or were they just general municipalities that were chosen?

The Chair: Like I briefly pointed out, with Windsor, Sault Ste Marie, because of the economic situation—the border crossing in Windsor, and in Sault Ste Marie the situation with Algoma Steel; the traffic backup at the borders. That was some of the reason.

I can't really recall why Timmins, Belleville and Owen Sound, except for the fact that they wanted to travel to other locations up north and eastern and central Ontario.

Mr Spina: I can understand the border crossing issue—frankly, Sarnia might be as applicable, perhaps, as Windsor.

With regard to the north—and I'm not sure, Monte, if it was your comment or Gerry's that indicated fewer travel places this year just for the purposes of cost—Sudbury generally tends to be sort of the epicentre of northeastern Ontario. I could see maybe, if we wanted to reduce some of the travel to the north particularly, that we could pick Sudbury. You tend to usually draw from the Soo and Timmins. We found that, for example, during Bill 125. As much as I'd love to visit mother at a committee hearing in Sault Ste Marie, I don't have any problem. I think it would logistically make sense if we had one centre in the northeast that would be representative perhaps of northern Ontario.

In the other municipalities in the south, to me it doesn't matter a whole lot as long as it's logistically convenient and cost-efficient for us to be able to reach those communities and have some input.

I think it's also an opportunity for the committee to go to some communities where they've not had committee hearings at all, or in a long time. We did that way back when we did the snowmobile bill, I think, two or two and a half years ago. It was interesting and amazing to see the response we actually got and the welcome we got, because it was an opportune moment for people of those communities to be able to contribute to the parliamentary process.

The Chair: Further comments?

Mr Kwinter: I would suggest that before we even carry on with this discussion, we should address Mr Phillips's question about his impression that last year we had decided that we would restrict it to three communities as opposed to five. If we can resolve that, then at least we know what quantum we're talking about and can make some decisions on that basis.

Mr Galt: I remember the discussions last year, because I protested going to all the big centres last year and I was promised that next year, being this year that we're going out, we'd once again, like the first year, go to small-town Ontario. I'm quite sure that's in Hansard, in one of the first discussions we had. Maybe it was when the subcommittee report was coming in. But this is the year, in my understanding, of going out to small-town Ontario. Some of these places, in my opinion, are not exactly small-town Ontario. Owen Sound and Cobourg are small-town Ontario, but some of these others are not exactly small-town Ontario.

Mr Christopherson: First a question: was Windsor included in that?

The Chair: Yes.

Mr Christopherson: I just wanted to be sure about your list: Sudbury, Barrie, Cobourg, Waterloo, Windsor?

The Chair: Yes. That's my understanding.

Mr Christopherson: Is that what you said, Ernie?

Mr Hardeman: Yes, but mine were in a slightly different order.

Mr Christopherson: Sudbury, Barrie, Cobourg, Waterloo, Windsor? I just want to be clear that's what you put forward.

Mr Hardeman: Yes, Windsor, Sudbury, Barrie, Cobourg and Waterloo.

Mr Galt: Is Owen Sound—

The Chair: No.

1040

Mr Christopherson: Well, you've heard my concerns about the process here, and I don't imagine that's going to get me too far, given the majority of votes you have. I don't hear you being open to being persuaded, so I won't waste a lot of time.

I do want to make the argument that what it looks like to me is that you're running away from Sault Ste Marie because there are problems there. I just want to emphasize that Tony Martin has been talking about the need for a lot more diversification in the north in terms of their economy, and Sault Ste Marie is very much becoming the litmus test. I think it behooves us to go to a community like the Soo. They got a temporary reprieve around Algoma, but don't you think it makes a lot of sense, as we're into the new millennium and things continue to change economically in a big way, that we go into a community that is almost 100,000-strong in population and is in dire need of diversification in the future? Whether Algoma lasts one year or 100 years, at some point this community is going to need to be taking some steps to be ready for that day. It's my understanding that if Algoma went down right now, they'd just be decimated, that for the next closest employer, and I stand to be corrected, we go from the thousands that are at Algoma to the second largest employer, which is in the hundreds. So here's a community that stands to be—

Mr Spina: No.

Mr Christopherson: Well, I know a fair bit about it too, Joe.

Mr Spina: There are 1,400 at St Mary's.

Mr Christopherson: Yes, OK. Fair enough. But nonetheless, if you take those two, then the next largest, the third—I was wrong; it's probably the third one—drops down to a few hundred. Pulp and paper's in some trouble too. We don't know what the future of that is. That's always a precarious industry.

My point is that this is an important community for us to go and talk to in terms of the decisions that have already been made and the decisions that we're looking at in the future. How are they going to impact on a community like this and what are their suggestions for what a government should be doing to assist the north? One of the reasons we travel is that the economics around the province are different. I have to say to you, Chair, that it looks to me like the government doesn't want to deal with what may be people who will come in and say some things about the government and their participation or lack thereof in the whole Algoma situation, and that's wrong. Sooites deserve better than that. There's good reason we would go there. Keep in mind, when you talk about border towns, they're not just southern border towns. Sault Ste Marie, on a per capita basis, is just as busy a border community—and the economics of travel and trade back and forth across there—as Windsor.

So for both those reasons I've outlined, the local economy and their specific situation and the fact that it's a border town, for you to now use your majority to hammer through a motion that takes Sault Ste Marie, throws it out the window and brings in Sudbury looks to me like you just want to run and hide. I think at the very least—at the very least—you should recommit to going to the Soo as the northern community. I don't say that in a partisan fashion, because we've got members in both cities, so this is not about partisan politics. This is about, where can the finance and economics committee get the most important input in the north at this time, particularly given that it was a community that was previously chosen by the subcommittee?

The Chair: Any further comment?

Mr Hardeman: I think the importance of this is to make sure we get as much information and as varied information as we can get to this consultation. The member opposite makes a very good case for switching Sudbury to Sault Ste Marie. I guess if that's what we all agree is the most appropriate way to get the information, I'm prepared not to add an extra place in the north, but to move the meeting from Sudbury to Sault Ste Marie.

The Chair: So then it would read Windsor, Sault Ste Marie, Barrie, Cobourg and Waterloo.

Mr Phillips: I didn't have a major problem with it, and I felt that we should rotate around as much as we can over the years. I'd written down Kitchener. We haven't been to Kitchener, Hamilton, Sudbury or Kingston, I don't think, sort of major urban areas, for some time. I agree with the Sault Ste Marie one. I think that it is a challenged community.

My understanding is we will get nine days, but do they include the report writing as one of the days, or do we know?

The Chair: No.

Mr Phillips: They don't.

The Chair: You would have five days on the road and four days in Toronto.

Mr Phillips: Right. So I don't have a major problem.

The Chair: OK. We've got fairly agreeable—Mr Hardeman?

Mr Hardeman: In response to Mr Phillips's comments, again, I agree that Sudbury has not been on the list for a while, but we did just exchange it for one of the others. I would suggest that for Kitchener and Waterloo, it's not critical as to which one. It's the same place in the province, so I think we are covering off Kitchener-Waterloo as an entity for the public.

Mr Phillips: I was just saying that over time I think we should try—and Kitchener-Waterloo is, in my mind, one location.

The Chair: OK, so then I'll go to point number 4 with regard to the advertisement.

Mr Christopherson: Sorry, Chair. Just to be clear, how many days does that give us in Toronto?

The Chair: Four days.

Mr Christopherson: Four days in Toronto? OK.

The Chair: Because of logistics, we may have to go back and forth, but I think we'll have to work with this.

Mr Christopherson: Understood. But there will be four days based in Toronto for hearings?

The Chair: That's right.

Mr Christopherson: That's fine.

The Chair: With regard to the advertisement, any comments? Is it satisfactory?

Mr Galt: When we're into fairly small places, maybe we could go to the other centres in the immediate area, just to have a little more advertisement. I'm thinking of Cobourg, maybe a Belleville paper and a Peterborough paper.

The Chair: I think you try to capture the area with the advertising, so I think—

Mr Galt: Sure. It's just they're a little further out. In Kitchener-Waterloo, I can see one advertisement. That paper covers quite a large number. But I think we should let Belleville and Peterborough people know that we're in the area.

Mr Spina: I'm probably going to get a look from my colleague here, but since we were looking at smaller-town Ontario and it's in the same area, instead of Kitchener-Waterloo—and as Gerry pointed out, that's really considered an urban centre—would a place like Woodstock or Stratford be—

The Chair: I think, Mr Spina, we had consensus on this, so I think I'll stay on number 4.

Mr Spina: I just wondered. It's the same area. We're not talking about flights.

Mr Hardeman: Mr Chairman, I would be more than happy to invite the committee to my house, but we have made the decision, or at least seem to have a reasonable consensus, on the locations. I would suggest that we leave it there.

Mr Phillips: I'll talk to Wettlaufer about it and see what he says, and Witmer and the others.

The Chair: I think we've got a consensus with regard to the advertising. We'll go to number 5. Is that satisfactory? OK. Number 6?

Mr Hardeman: I would just suggest that we add the noon time on the date, so that at some time in the day—

The Chair: Noon, Friday, January 11? Is that what you're saying?

Mr Hardeman: Yes, just add 12 noon for the day. I don't think it makes any difference, but it tidies it up to a time.

Mr Christopherson: We might make it the end of the day, because there may be some last-minute scrambling. At least they've got one full business day, rather than cut it off at 12 noon.

Mr Hardeman: I don't have any objection if it said 6 o'clock or something.

Mr Christopherson: Give it a full business day, that's all.

The Chair: Four pm?

Mr Christopherson: Yes, that's fine.

The Chair: So we'll say at 4 pm on Friday, January 11. Number 7?

Mr Phillips: Just in terms of witnesses, an area that seems to be picking up more and more focus is the SuperBuild area. At least from our perspective, and I hope from the committee's perspective, I think it would be worthwhile to have a presentation from SuperBuild, because they look like they're now kind of managing the capital projects. So we'd like to see them invited to the committee to make a presentation.

Mr Hardeman: I don't know. This is going to be rather technical as to whether the SuperBuild Corp would be an expert witness that we're asking as part of a presentation.

Mr Phillips: I'm on 7, actually.

The Chair: On number 7. In other words, Mr Phillips is suggesting that SuperBuild be one of the presenters invited to present in front of the committee. Correct?

Mr Phillips: Yes.

Mr Hardeman: I would suggest that for number 7, if that's what we're on, if Mr Phillips deems that's the appropriate witness, then that should be his highest priority on the list as each party chooses the list.

The Chair: So what you're suggesting is that maybe that should be one of your priorities.

Mr Phillips: We can do it that way, unless maybe the rest of the committee thinks we should—

Mr O'Toole: Maybe we should schedule Paul Martin too.

Mr Phillips: I don't think he gets paid \$300,000 from provincial taxpayers.

The Chair: How about if we leave it as a priority?

Mr Hardeman: I have no objection to it. I was just suggesting that rather than deciding whom we're going to have as experts and then everybody gets to pick, we should put it on the list.

1050

The Chair: We'll go to number 8. For the sake of consistency, since we have 5 pm on number 8, why don't we put 5 pm on number 6? Is that OK?

Mr Galt: That's a long way ahead of the committee meeting. Do we need to close it off so early?

Mr O'Toole: We start meeting in February.

Mr Galt: We don't meet till four weeks later.

The Chair: It's a suggestion. I'm open to whatever the committee wants, if you want to change the date.

Mr Phillips: I think in the past the challenge in some of these communities has been filling the list up, and if we cut them off too early—so I'm a bit with Mr Galt there.

Mr Galt: I'm just thinking of people getting around to seeing the advertisements and then finally—

Mr Hardeman: This is the expert witnesses, and I think it's quite reasonable to assume that they're going to need considerable notice as to when they're being asked to appear. I agree that in the other one, where we're talking about the general public witnesses, the timeline does move forward into February, but for expert witnesses—I'm sure, as Mr Phillips suggested, the SuperBuild, if you want them to—

Mr Phillips: I don't think that's for expert witnesses, that date, is it?

The Chair: That's for any witnesses. However, in small centres in the past, when we've had openings, even when people submitted their presentation after the cut-off date, if there was time we just slotted them in. This is basically for Toronto.

Mr Phillips: I realize that, but if this says the staff have to respond by January 31, that's how the staff have to interpret that. That's not what we want.

Mr O'Toole: I tend to agree. I think if you take the timelines, the time of year, and they're not meeting really until we start the 25th or something of February, the first week of February would probably be a more appropriate length of time for them to prepare and respond and get them to the clerk sometime in that week.

The Chair: Do you wish to submit a date?

Mr O'Toole: Have you got a calendar? I don't have one in front of me. Probably the first week in February would be fine.

Mr Spina: That would be the 11th?

Mr O'Toole: No, that's too late.

Mr Galt: February 8.

The Chair: February 8 instead of January 31?

Mr O'Toole: Yes, sounds good.

Mr Spina: I have a question, Chair.

The Chair: Yes, Mr Spina?

Mr Spina: A question, actually, of the clerk. Do you feel, Susan, that February 8 to 25 is sufficient time to collate the submissions or the requests?

Clerk of the Committee (Ms Susan Sourial): Yes.

Mr Spina: Thank you. I just wanted to be sure.

The Chair: So we'll change the date from January 31 to February 8.

We'll go to point number 9. That date may have to be changed now, because we've changed the date on number 8.

Mr Spina: Perhaps Susan could give us a date there.

Mr Kwinter: The previous one was, like, four days after the cut-off, so I would think that some time comparable may be the 13th.

The Chair: The 12th would be a Tuesday. The clerk informs me that she can get the list out on February 11, which is roughly four days again. So we'll change that to February 11.

Mr Galt: That doesn't give any working days.

Mr O'Toole: That's fine. She's just said so.

Mr Galt: She's speedy. OK.

The Chair: Number 10: again, we'll have to change the date. The clerk is suggesting February 13, because that would give them 10 days to schedule the presenters for Toronto: the 13th as opposed to the 8th. Is that OK?

Mr Hardeman: Are you adding on the 5 o'clock too? We need the time in that one, the same—

The Chair: I think so. We'll put 5 o'clock so that we're consistent.

Then number 11 would be, "That the deadline for written submissions is February 25." I think that probably should remain the same. Should we put 5 o'clock also?

Mr Phillips: Five pm.

The Chair: Five pm.

Number 12, "That expert witnesses be offered 60 minutes in which to make a presentation, groups will be offered 30 minutes in which to make a presentation, and individuals will be offered 15 minutes in which to make a presentation. The Chair and/or the subcommittee may modify these times."

Do we agree about this? I think that's pretty standard.

Mr Hardeman: I'd just like to make the suggestion that instead of 30 minutes for the groups, we change that to 20, if there are more groups. I don't have any problem with scheduling them for 20 minutes, but I would think that we can get the information, rather than 30 minutes, in 20 minutes and that for every two that present we can get a third one in if we have more people who wish to speak to the committee. So my suggestion was that we go to 20 minutes, recognizing that the Chair has the ability to move that; if there were not enough presenters, you could give them more time.

Mr O'Toole: Yes, I tend to agree, because if you're talking about groups, whether it's chambers or boards or whatever, they'll all have the same basic message anyways. So I think it's probably good to hear more of them in case you hear some variation, because a chamber's message is probably canned.

The Chair: But if somebody requests 30 minutes to make their presentation, you would allocate—

Mr O'Toole: Unanimous consent by the committee could change that at their will if there are not enough presenters.

The Chair: Any further comments on that?

Mr Phillips: I don't have a problem, Mr Chair, in that I'm with the others. If there are people who really want

to present, I think we've got to try and get the maximum number in. I'd leave it to you if there's lots of time. Would we be saying to the Chair, if there's enough time, he would schedule 30 minutes, or we're going to ask each of them to do 20 minutes?

Mr Hardeman: I think in the clause, as it's presently written, the Chair can make that decision, taking all the factors into consideration where it says, "The Chair and/or subcommittee may modify these times." So I think that option is there. If we were one short, the Chair wouldn't be obligated to say, "Since we have 20 minutes to fill, we will at the last moment give everybody an extra five minutes." But he would have the ability to do that, I think. So I think the Chair does have the flexibility, but I think if we put it in at 30 minutes or a longer time, the Chair wouldn't have the flexibility after the fact to say, "We have more people who would like to speak than we have time available. I'll just cut everybody down by 10 minutes." I think they would have prepared for something longer.

The Chair: I think with the presenters in Toronto that probably won't be an issue. It's probably more for the surrounding areas, because usually you have more people who want to present. So there is some flexibility to the Chair to deal with this issue, if we're satisfied with this. So we'll change it to "will be offered 20 minutes," and then the flexibility is in the last sentence.

Mr Christopherson: I have no problem with that.

The Chair: We'll go to number 13. "That if all groups can be scheduled in a given location the clerk can proceed to schedule all interested parties, and therefore, no party list is required for that location." We're agreed? OK.

We'll go to number 14. "That the research officer will send out a draft report to the committee members on Monday, April 1, 2002."

Mr Christopherson: That's an interesting date.

The Chair: April 1 is a Monday. We seem to be agreeable to that.

We'll go to number 15. "That the committee"—

Mr Phillips: I was thinking we could move that up a little bit earlier, maybe to March 23.

Interjections.

1100

Mr O'Toole: Is that the Saturday, Gerry?

Mr Phillips: I don't mind working Saturdays. I think the public expects it.

Mr Hardeman: I think the member opposite brings up a very good point, and I understand there are some events that are happening at that time that we may very well be able to put the whole process into that same process and get all the information that's required—

Mr O'Toole: We could have the committee meeting that day.

Mr Phillips: There we are.

The Chair: OK. So we'll leave it at April 1.

Number 15, "That the committee will meet on Thursday, April 4, 2002, for report writing." Is that OK?

Mr Christopherson: We still use the euphemism "writing," don't we? I mean, like there's any real dialogue that happens. As if.

The Chair: That's why there's a question mark beside it.

Mr Christopherson: Yes, exactly. Really. This is a really honest report.

Mr Spina: Would the word "preparation" be more modern?

Mr Phillips: Rubber stamp.

Mr Christopherson: Yes. "On this day, the committee's government majority will ram through what they want."

The Chair: And number 16, "That witnesses' expenses will not be reimbursed."

Mr Galt: Have the hours the committee will be meeting been established?

The Chair: For clarification, the clerk just pointed out to me that in the letter we're going to be sending to the minister, we need to request that we need the date of April 4 for writing the report. That's probably a technicality more than anything else. OK?

Mr O'Toole: Just for clarification, in the meetings, I think Mr Hardeman—I apologize for being late, but I would hope we're not meeting Mondays or Fridays.

Interjections.

Mr O'Toole: No, seriously. What's the point?

The Chair: During the committee hearings, we're meeting one Friday.

Mr O'Toole: No. With respect to number 2, meeting from February 25—what are the dates? I don't have a calendar in front of me.

Mr Galt: They're Monday to Thursday.

The Chair: Monday to Thursday, and the following week is Monday to Friday.

Mr Galt: March 8 is a Friday.

The Chair: And the reason being—we discussed that at the subcommittee—we've got the March break in between. It was very difficult from a logistics point of view to get the time in order to get nine days of hearings.

Mr O'Toole: Basically, March break starts on the Friday. If my wife books a flight, it'll be on the Friday.

Mr Spina: The committee meeting will be over at 5 o'clock, and you can be at Pearson for 6.

Mr O'Toole: I'm just giving you forewarning. There are so many other days here that—

Mr Christopherson: Hey, John, don't worry about it. You'll be in cabinet by then anyway. There will be a new Premier, and you'll have other things to occupy you.

Mr Galt: Mr Chair, I still didn't hear the time that the committee was going to meet. What are the plans? Are we going to have an extended lunch hour, are we going to have a condensed one; are we starting at 9?

Mr Spina: No, start at 10.

The Chair: No, usually in Toronto it's 10 to 6, and on the road 9 to 5.

Mr O'Toole: Ten to 6?

The Chair: And you break for lunch.

Mr Hardeman: Let me get this straight, Mr Chairman. That's 10 to 6, did you say, in Toronto?

The Chair: Yes. And on the road, usually 9 to 5.

Mr Galt: And when do we decide the days of travel and the days in Toronto?

Mr Hardeman: We just did.

Mr Galt: No, no. Which days?

The Chair: We'll have to work this out. We need to fly to one community, so I guess I'll work that out with the clerk as to when would be the best time to—

Mr O'Toole: Why don't we fly to Windsor and then go to the Soo from there?

Mr Christopherson: I would suggest the same thing. You could do a circuit.

The Chair: We still have to come back to Toronto unless you have a charter. There's no direct flight from Windsor.

Mr Christopherson: Sometimes it's a little cheaper.

Mr Hardeman: That may very well be. I would just suggest that falls under the category of the discretionary powers of the Chair to decide where we should go and when we should go there.

The Chair: I'll have to check on that.

Mr Hardeman: Exactly, and I know you will be very frugal in finding the most effective—

The Chair: So I guess we need to vote on the redrafted, or whatever we want to call the reconstituted—

Mr O'Toole: I'm going to dwell on that for a moment. If we're going to Windsor, we'll probably go by bus. That's 10 hours of driving. What's that about?

Mr Spina: What are you talking about?

Mr O'Toole: Well, it's about three or four hours each way, at least.

Interjection: It's about four hours each way for sure.

Mr O'Toole: That's ridiculous. We're spending more time on the road—

The Chair: We'll work this out and let you know.

Mr O'Toole: Yes. Anyway—

Mr Galt: Isn't it closer to Sault Ste Marie than Windsor from Toronto?

The Chair: Anyway, we can work this out. I'll call for the vote on the subcommittee report. All those in favour? Those opposed?

Mr Christopherson: Recorded vote.

The Chair: Recorded vote? OK.

Interjection.

Mr Christopherson: No, no. You threw me a bone; you didn't get me on side.

Ayes

Galt, Hardeman, Kwinter, O'Toole, Phillips, Spina.

Nays

Christopherson.

The Chair: The motion carries.

I'd like to wish everyone a Merry Christmas. This committee is now adjourned.

The committee adjourned at 1106.

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Second Session, 37th Parliament

**Assemblée législative
de l'Ontario**
Deuxième session, 37^e législature

Official Report of Debates (Hansard)

Monday 25 February 2002

**Standing committee on
finance and economic affairs**

Pre-budget consultations

Journal des débats (Hansard)

Lundi 25 février 2002

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 25 February 2002

Lundi 25 février 2002

The committee met at 1000 in the Holiday Inn, Sault Ste Marie.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Marcel Beaubien): Good morning, everyone. If I can get your attention, I'd like to bring the standing committee on finance and economic affairs to order. This is the first day of our pre-budget consultations for the year 2002. For the record, I would like to point out that the committee will be meeting, besides today in Sault Ste Marie, on the 26th in Windsor and the 27th in Toronto at Queen's Park. We will also be meeting on March 4 and 5 in Toronto at Queen's Park, March 6 in Cobourg, March 7 in Kitchener-Waterloo, and March 8 in Barrie, Ontario.

For the members and staff, I would also like to point out that we have to check out by noon today. If you cannot check out by noon, I would strongly suggest that you make other arrangements with the hotel, because apparently there's a number of people coming in later on today.

FIRST NATIONS INDEPENDENT
FUEL HANDLERS ASSOCIATION

The Chair: With this, I would like to invite our first presentation this morning, from the First Nations Independent Fuel Handlers Association, if you could step forward, please, and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Mr Willard Pine: I might not take that long.

Thank you very much, honourable members, for the opportunity to speak to you this morning. I'm Willard Pine from the fuel handlers association. I'm from Mississauga First Nation, not too far from here. My partner is Randy Naponse from Whitefish First Nation.

We have been established since 1996, the fuel handlers association. We formed the group because of the rebates, where we were having problems with our own people, from the province not returning the rebates regularly. They have been returned in sometimes eight to 10 weeks, so when the person wants to buy fuel and he doesn't have the money to pay for the drop of the fuel, then he goes under. This has been happening quite regularly with our people.

Our people are having a hard enough time trying to stay in business on First Nation reserves. With us being formed in a group, we have helped them a great deal, but they're still having problems with rebates. When we put our chits in—what we call "chits" are the white gas cards that we have to run through for each individual person who purchases fuel—we have to collect that rebate, and sometimes it comes to around \$3,000 or \$4,000 in a week because of the amount of fuel we sell. When the province doesn't send that right away, then the person goes under; he's not in business any longer.

When we started our group, we had meeting after meeting with the province. As we went along, we formed another group to purchase our own fuel, to establish for our own people to buy fuel from themselves as a co-op, a co-operative group. We're incorporated. We've got our export-import licence to purchase our fuel. Each individual First Nation is going to buy a share and is going to own part of this group that is formed by the fuel handlers. Right now we have sold 25 shares, but we had to stop because the securities commission has to get involved some way or another, I guess.

With us purchasing our own fuel, the cash flow from the rebates that are being distributed back to the First Nation will go into our own organization as a fuel handlers association. This amount comes to around \$3,000, sometimes \$4,000; it all depends what the price of fuel is at that one reserve.

We went along in saying that as we sell fuel from each individual fuel handler, we will put a penny back into the organization and put it into the account of the fuel handlers association, plus the rebates that are going to be there. With the money that's being accumulated, we will be able to help our own First Nation people to build schools if we have to, plus build a senior citizens' or sports complex from that one penny that we distribute. We went as far as to say, why not just say half a cent to each First Nation from the fuel handlers association for a building or whatever they want? But it will be controlled by the fuel handlers association because we've got lawyers who are working for us now and we have accountants working for us also.

This should create some employment for our own people, which would be great because a lot of our First Nation people don't have employment. They're having a hard time. With us distributing our own fuel, we'll have truck drivers, we'll have people in the office, we'll have people in Sarnia at the refinery, so it's going to employ quite a few people.

Again, we have problems with our rebates, as I said earlier, because of the card system. The card system is just a white card. We have to swipe that in order for us to get the rebate, and the name of whoever owns that card has to be on there. But there are a lot of fraudulent cards out there. They hand them to you, and if you ask the person, "Is that your card?" they get very defensive. It's probably not their card.

Two years ago we got together with Indian Affairs. We were going to make three cards in one: the status card, a gas card and a treaty card together. For two years we had that in the works. We were just about ready to go and Indian Affairs pulled out. They said they didn't have any money, so that put us in a bind. We couldn't go ahead any more, so we met with the Minister of Finance—that's the tobacco tax finance minister. What we're doing now is just going with the white card alone. Indian Affairs said, "We'll come later on," but we have to do double that because it's going to cost us more money.

What we're planning on doing, what we're talking about doing, is putting a picture on the gas card plus a bar code embossed. A POS system is being implemented also, so when this POS system comes in we'll be able to swipe our cards regularly and the Ministry of Finance will get whatever is sold that day right away instead of two weeks down the line. Once this swipe card system is in place, they said the turnaround time of the dollars being returned will be one week.

It will save a lot of headaches for our own people and it will help the Ministry of Finance also because they won't have to do so much paperwork. We toured the Ministry of Finance's office and we saw boxes stacked high, right up to the ceiling, from each individual gas handler. Those are the remittance dollars that are required. It's just full; that whole place is just loaded with paperwork. With the computer system, the POS system, it will just swipe at the end of your shift, it will go to the Ministry of Finance, and that will be it for us. They will have the number of litres that were sold that day and there will be no more paperwork for us. We have to sit around sometimes until 2 o'clock in the morning doing our card system, because we've got to add them all up. So with the POS system, that would save a lot of work for them and for us.

1010

So this is where we're at with the ministers. I've got a meeting with the ministers again tomorrow to implement this card system. Like I said, it's been going on for the last four or five years. With our fuel handlers association we've worked many, many hours since 1996. We've travelled to Edmonton. Edmonton has already started this card system, the POS system, and it's working well over there. We toured the reserves over there, and they said it's really a benefit to them because it means no more handwork, no more writing on a piece of paper. All they do is just swipe.

So this is where the fuel handlers are at. I hope I covered everything in this paper. We've hired lawyers.

We even hired Charles Harnick. I guess he was deputy minister at one time. No, not deputy—

Mr David Christopherson (Hamilton West): He wasn't that high up.

Mr Pine: No, not that high up. He was the minister of something. He's working for us right now. That's what we have to do in order to get ahead with this. It makes me feel good to see that we are all helping our own people. Money-wise, it'll also benefit everybody on the First Nation. His reserve will put a penny or half a cent into his organization so that they can build something in each First Nation.

The Chair: Does that complete your presentation?

Mr Pine: Have you got anything to say?

Mr Randy Naponse: You covered just about everything.

Mr Pine: Well, he said not too long.

The Chair: We've got time for questions, about two minutes per caucus. Thank you very much. I'll start with the official opposition.

Mr Michael A. Brown (Algoma-Manitoulin): So that members know, Willie's Gas Bar is just this side of Blind River on the Mississagi First Nation. So when you're driving through the area, I'm sure he'd appreciate seeing you.

Mr Pine: I do.

Mr Brown: What you're telling us, Willie, and I've heard this from other retailers, especially, is that this is a real problem with First Nation gas retailers, and that what really needs to happen is that we address the card problem. The ministry seems interested in doing that but they're just very slow in implementing it. Am I getting this right?

Mr Pine: Yes.

Mr Brown: So you would like this committee to recommend to the Ministry of Finance that they get on with the administration. Everybody seems to understand the problem, but it's just that molasses might be the way we describe the process.

Mr Pine: That's the way it has been for the last six years. We think we seem to be getting ahead and all of a sudden something happens again. So we're just dragging back and forth and are not moving as fast as we want to be moving. We've put a lot of dollars into our own pockets, me and him, because we want to travel and promote this whole thing to the other people.

When a First Nation person goes down, he's put his life savings into this whole business. When they phone, they're just about crying, because it's employment for them and it's employment for a couple of people in the First Nation. The hardest part is when you know you're failing. I don't want to fail. That's the heart of the whole First Nation. They put pride into something they do. They're so proud of establishing a business in a First Nation because they're First Nation people. It's just greatly disappointing when you know a person has gone down, and there are quite a few who have gone down now. They phone me and say, "We're trying to better this whole situation for us by buying our own fuel, distribu-

ting our own fuel at a rack price." This way we have a better chance of surviving, because we have to pay the middleman when they deliver fuel to our First Nation, which we'll pay ourselves, because we'll be delivering our own fuel. The organization will have a bank account where all the money will be distributed from each First Nation, even the investors.

Mr Christopherson: Thank you for your presentation. If I'm understanding correctly, they've gone ahead since 1996 in Alberta, and you make reference that the Maritimes and Saskatchewan are looking at this. Have they done a review and determined whether or not there are problems? In other words, do they regret they've done this or is it working fine? I guess what I'm trying to do is establish whether or not the Ministry of Finance in Ontario has legitimate reasons, based on a review of the model that you've held up as one you'd like to see implemented in Ontario.

Mr Pine: In Alberta, we toured the reserves where they have already implemented their POS system. When we talked to them, they said, "This is the greatest thing that's happened in our First Nation." The ministers are happy, just the way they are over there, with how it is being implemented, with the gas cards and how the rebates are returned much faster than they used to be. It used to be eight to 10 weeks. Even here now it's still eight to 10 weeks. Over there, when they do the swipe, it's automatically in the computer. At the end of your shift, you just total the whole thing and it goes to the Ministry of Finance, tobacco and fuel.

Mr Christopherson: Based on that, sir, what is the response from the Ontario Ministry of Finance when you say, "Let's get on with this," and they say, "Yeah, but...."? What's the "Yeah, but"? What exactly is their problem as they're identifying it to you?

Mr Pine: No money.

Mr Christopherson: What's it going to cost them?

Mr Pine: It's going to cost them—what is it?—\$8,000 for one POS system, and it's going to cost us the same amount, because we have to integrate with their machine, with their POS system. We're all set to go because we're trying to get funding from ABC. ABC said they would do 50%, so we'd have to put in the other 50%.

Mr Christopherson: But this is the same government that made a major commitment to assisting First Nations in becoming more self-sufficient and setting up businesses. So if I'm understanding correctly, that's not much of an argument for them. They can't very well say, "It's going to cost us money to make this happen," on the one hand, but on the other hand say, "However, we're keen on helping First Nations get a stronger business footing." You can't have it both ways; that's the way I see this.

Mr Pine: The way they put it to us in the meetings that we go to is, "We have to see our higher up in order to look at our budget." Then all of a sudden they'll come back in the next meeting and say, "We don't have the money." That's the answer the Minister of Finance gives us, but we don't believe that, because how could it be?

It's going to save them a lot of money, and it's going to be better for our businesses also.

The Chair: With that, I have to go to the government side.

Mr Joseph Spina (Brampton Centre): I'll just make this very quick. Thank you, Mr Pine. Are you in contact with the Ontario Fuel Dealers Association?

Mr Pine: Not yet, no.

Mr Spina: I would make a suggestion that you may want to, because there is a task force right now that's consulting with various industries regarding retail sales tax, for example, and that organization is on that committee. I brought forward the issue of the First Nations' situation and the problems they're having with the cards and also with dealing with purchases in general, not just with regard to fuel dealers.

Partially maybe in response to your question, David, I know that the ministry, from the minister's perspective, is exploring various ways to try to make the system simpler, cleaner, better; a little less red tape for all of them, for the fuel dealers. We brought forward the issue of the aboriginal card, so it really is an issue that we have brought forward. I brought that forward to the committee, so it is under consideration. They are going to be looking into it in the next month or so.

Mr Pine: OK, great. Thank you.

The only people we talked to are the Sunoco people down in Sarnia, at the refinery. They even had their tax people there when we had the meeting with the group in Toronto, and they gave us all the information we wanted on tax issues, what we have to pay, your gas tax and your GST. So this is what they put together for us. They are the only people we talked to, from Sarnia and Toronto.

Mr Spina: Well, your input is valuable. Thank you, sir.

The Chair: We've run out of time. Gentlemen, on behalf of the committee, thank you very much for your presentation this morning.

Mr Pine: Thank you very much for letting us be here. I wish I knew everything would work out for us.

1020

MISSANABIE CREE FIRST NATION

The Chair: Our next presentation is from the Missanabie Cree First Nation. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Chief Glen Nolan: My name is Glen Nolan. I'm the chief of the Missanabie Cree First Nation. I'd like to welcome you to Sault Ste Marie. This is our adopted home for the time being because, as some of you may be aware, we are a band without a land base. Our community is spread out right across Canada, so we're more in tune with what's happening in other locations than what is offered here in Ontario. Our part of the Treaty 9 area—for the time being, this is where we are.

First of all, I'd like to just give you a brief background of the Missanabie Cree. In 1906 we participated in the treaty process. Since that time, we've been asking for our land back and it just hasn't worked out yet, and we're not sure why. But we're getting closer to it. We are in negotiations with Ontario and Canada through the treaty land entitlement process. It's the first of its kind in Ontario. It has been done exhaustively out west, but because of the uniqueness of Ontario participating at the treaty table in 1905-06 and then again in 1929, they are at the table, which is very unusual for a TLE process.

In 1992 we actually started receiving funding from the federal government. They recognized us as a distinct and separate First Nation from any other organization in the area, so they started funding our office and some of the operations we do today.

It has been a long journey, obviously. In the last 10 years we've grown substantially. We offer a number of programs to our members across the country. It makes us very unique. Because we are essentially off-reserve, we can't offer anything that would be considered on-reserve, so we're very unique in that way.

We're also very progressive. We understand the need to expand our operations to include economic development as part of our process, because we just don't have any program dollars. To be quite honest, there isn't a First Nation out there that will get rich or be able to self-sustain their operations just from the program dollars that the federal government and some of the other programs offer through the Ontario government.

From that perspective, we saw opportunities over the last few years to purchase a fishing camp in our traditional territory. We are in the process now of expanding that operation to include an ecotourism and cultural tourism component, and we're trying to work that into the existing operations. It was an expensive venture, and we're quite proud of the fact that we did it without any money in our bank account. Essentially, we did it through some creative funding proposals to the different funding organizations out there. We won their support, and now we are owners of a fishing camp. We employ our own people. We have a manager in place who is a member of our community. We're hoping for better things from that camp and expansion into the future.

We've also purchased a small parcel of land—it's about 16.4 acres—from the Ministry of Natural Resources. Actually, we signed the cheque in January. That is to facilitate any development in our traditional territory into the future. We would consider that an industrial site, so that when we start to develop and we start to build in our own traditional territory, we can have an industrial park in there.

We have been very proactive in seeking out partnerships with forestry companies, with other operators in our traditional territory, to partner with them to develop long-term business relationships. We're very happy and very pleased that Weyerhaeuser has worked closely with us in developing a strong relationship. Also at that same table we have the Ministry of Natural Resources, which is

assisting us in walking through that process to develop this long-term strategic development within the partnership. Out of that, we're probably going to be receiving revenues through contracts and through business developments within the forest industry in excess of \$1 million at the end the signing of this contract with Weyerhaeuser and the upcoming agreements that we're going to have with other companies in our area, including Domtar, Tembec and Buchanan Forest Products.

From my perspective, we need the government to have some important considerations when you are making your decisions on some of the financing arrangements you have with your different ministries.

The biggest support we have right now in our negotiations with Weyerhaeuser is the Ministry of Natural Resources. Any cutbacks to their programs will have a detrimental effect on the success that we are seeing right now at our forestry table. They are also helping us in the areas of looking at some summer work-related programs for our youth. We have a venture right now working with them to develop a Junior Ranger or an Ontario Ranger program that is exclusive to our First Nation and to our members and working with their operations through their provincial parks or with the different programs that they offer. That one is jointly funded. We provide the material for our young people to paddle and to operate, and the Ministry of Natural Resources will be providing the salaries for that operation. That's obviously crucial for us to build capacity into the future, by having our young people working there.

We've also worked closely with the Ministry of Northern Development and Mines. Again, any cutbacks in that area—taking officers away from our traditional territory, taking away access to us—makes it harder for us to get information or to develop our own strategies. It would make it very difficult for us in the future if we saw any of those cutbacks.

Obviously we've worked very closely with the different ministries because we've had to. It's interesting. I had a young member attend a meeting with me in Toronto with the Ontario Native Affairs Secretariat, one of the assistant ministers, deputy ministers. This young man is a law student at the University of Toronto and his eyes were opened to the process, because essentially every time we go to the government, we go there with our hands out. We're always asking for money. In his words, "We're always begging." We don't want to be that way. We want to be self-sustaining. We want to have the power to decide where we want to go with our community and when we develop our different initiatives, and we don't want to always be going back to the government for special handouts and special consideration. But we need to start at a certain place, and for our community it's very difficult because we don't have a land base and we don't have the financial support from the federal government to develop an economic development program. We get \$1,500 a year to do economic development for our community.

We do see the value of some of the things we're doing. We have to spend some money to make money. We have a number of initiatives out there that are generating income for us, and we also understand the importance of off-reserve development or off-traditional-territory development. It is crucial to our success. Even if we were to have our land base tomorrow, there's no way we would be able to generate the income that we would need to support us. So we understand that developing businesses in locations like Thunder Bay and Sault Ste Marie is critical, and even further afield to accommodate some of our members who live in locations like Vancouver and Halifax.

1030

Some of the other programs that we've been assisted with through different government agencies include some of the training they offer through the Ministry of Natural Resources. They offer forestry training for our members who want to attend, free of charge, so that we can build capacity within our community and ensure that when we sit at the forestry negotiation table, we understand what they're talking about; we can speak their language.

Our second recommendation is to make funding for First Nations through the northern Ontario heritage fund, through the different programs that the Ontario government has, like the Ontario aboriginal economic development program, more available to us. Develop a larger pot of money. If you want us to be self-sufficient, you're going to have to provide that initial funding support; otherwise we're going to remain in the same position that we've always been in. We hear all these accolades that we're the best country in the world. If you've ever travelled up north in our communities, you don't see that. We're Third World, and that's the reality that we're facing up there. I guess I'm speaking more globally now, but we definitely need creative thinking, and I think the individuals in those communities are thinking that way, but we need the support from the province.

The promotion of partnerships between First Nations and non-First Nations businesses is crucial in our success. I'll give you an example of what we're doing. We find a logging operation in our traditional territory. The gentleman or the individual who is working that is a small operator and sees that in the end, in 10 or 15 years, they are going to retire. So we approach them and say, "Look, we want to buy into your business, 51% ownership; we will guarantee you a contract." They'll say, "I'm giving up half of my business." We say, "We're guaranteeing you contracts for the next 15 years because we have those contracts guaranteed to us from Weyerhaeuser." Weyerhaeuser's concerns are addressed because we're bringing in someone who has the track record, the experience and the equipment to do the work. We then tell the operator, "Over the next 10 or 15 years," whatever the term of our contract is, "we will eventually buy you out. We'll buy out all your equipment." They have no guarantee like that right now, that they can retire with some cash in their pocket.

Because they are a small-time operator, they're taking a risk. We're taking that risk as well, but we see this as a win-win situation. We're not raising the costs of any of the contracts to Weyerhaeuser. We're accessing these operators with minimal cash investment, but we're building capacity, we're developing managerial skills within this operation, plus we're gaining experience by having our members working as loggers or whatever the business is. Then, when the contract is complete and we purchase it out, that company becomes ours and we have the skill and the track record to proceed with that. I believe the government has a role to play in the development of that partnership model.

There is a program that's offered through the Canadian Council for Aboriginal Business, a progressive aboriginal relations program. There are some companies that have been recognized for their advancement of the partnership model. Syncrude in Alberta and Cameco here in Ontario and in Saskatchewan have been recognized for their work; the Bank of Nova Scotia and so on. But we're looking at smaller operations to help us and assist us in our process, and we need the government to recognize that and to promote that partnership model into the future.

Of course, I'm always going to give a plug for our First Nation. We have done an awful lot. As you can see from the handout, some of the work that we've done has been done within the last six months, since I was elected, not just because of me but I think the new chief and council brought a vision to the table that said, "We have to do this. We have to actively pursue economic development as a strategy to bring us beyond where we are now. The only way we're going to do that is to foster partnerships and to look at creative business development out there."

We have done an awful lot. We've bent the ears of a number of politicians over the last six months. I met with the Minister of Finance a couple of weekends ago in my home community of Atikokan. I just have to tell you, the uniqueness of our First Nation is that I live in Atikokan; our office is based here. One of our councillors lives in Edmonton, another one lives in Marathon, another one in Sudbury, and two councillors live in Sault Ste Marie, so we have to be very creative whenever we meet. Obviously, the cost is considerable whenever we travel here, but we do that on a limited basis, knowing that it is important to meet face to face occasionally. But that's what makes us unique and makes us very creative in accessing the funding that's out there.

You'll hear from us often, and you're going to hear from us probably through your different caucuses, that this is what we're doing. We need our land back, essentially. We've done an awful lot without our land now. We need our land back. If we don't have our land back, we're going to stagnate in this place.

Meegwetich.

The Chair: Thank you very much. We have approximately a minute per caucus, and I'll start with Mr Martin.

Mr Tony Martin (Sault Ste Marie): Thanks for, obviously, coming a distance to be here today and actually making such a very constructive and positive presentation. Even though you don't have a land base, you're certainly doing a lot of really exciting and positive things.

One of the recommendations I hear you making very clearly—and it's certainly a recommendation that could come from any community in northern Ontario because of the difficulty we have up here in sustaining an economy that is long-term and long-serving—is that the government continue to be a partner, a player, because without government it's just that much more difficult and, in some instances, may be actually impossible.

Could you speak a little more about that? You mention in your recommendations at the end, "Government ministries continue working with us." What ministries are you talking about, and specifically what are you targeting here?

Chief Nolan: We've had a very good relationship with the Ministry of Natural Resources and more of a distant relationship with Northern Development and Mines. But both of them have provided us with expert advice. They've provided us with assistance in having meetings here in the Soo to meet with Weyerhaeuser. They've been very constructive in their proposals to bring Weyerhaeuser's interests and our interests together so that we can advance our negotiation table to be an entity in the logging operations within our traditional territory.

The Chair: Thank you very much. We'll go to Mr Hardeman.

Mr Ernie Hardeman (Oxford): Thank you very much for the presentation. As Mr Martin suggested, it was very informative. I just wanted to draw a little bit more on the partnerships. I think everything in society works better when you work together with someone. I was intrigued by your presentation on getting into partnerships with small operators and being the broker between the two and over time then becoming the provider of that entity. Could you explain that to me again, just so I understand it? What would be the driving force for the smaller operator to accept your offer? Why would he want you to take over part of the business? Can you make the sale better than he could? What's the driving force for that?

Chief Nolan: The federal government offers a procurement strategy right now that says that if you're a First Nation business, 51% owned, they will consider your supply or your service business on an equal footing, even if we don't have the track record.

But what we're suggesting is that we get into a business with an existing operation that has a track record and we still continue to own 51% of that business. It allows that company a guaranteed contract. With the forest operations, there are 10 loggers out there and they all want a piece of the pie. We can go to one of them and say, "You're guaranteed to get a piece of that pie." It's going to be at a reduced rate, obviously, because we're

going to be 51% owners, but we're also going to share in a long-term commitment to this contract. It's not going to be for one year; it's going to be a contract that's going to go over a five-year or a 10-year period or even longer, depending on the success of the initial partnership. That's how we've seen that partnership being very successful. More and more businesses are opting for that; they see that. Also, the person can then retire with some cash in their pocket.

1040

Mr Brown: Good to see you, Chief Nolan. I was just interested in what the traditional land claim area may be. I'm gathering it's up through the Chapleau game preserve and that area around Missanabie in general. Would that be correct?

Chief Nolan: Yes.

Mr Brown: Also, Weyerhaeuser has a sustainable forest licence in the area?

Chief Nolan: Yes.

Mr Brown: How large do you anticipate the First Nation will be when the federal and provincial governments come together finally to agree to transfer the crown land that is yours back to you?

Chief Nolan: It's all based on a treaty formula of 128 acres per member. There's obviously the difference between when the treaty was signed in 1906—the government of Ontario says that's the time, but obviously our position is different: that it has to go with present-day numbers, which is in the area of 350 members, just because one of the treaty conditions was that we receive our land at the time of signing, and that wasn't fulfilled.

The Chair: With that, we've run out of time. On behalf of the committee, I would like to thank you very much for your presentation this morning.

Chief Nolan: Meegwetch.

SAULT STE MARIE AUTISM CHAPTER

The Chair: Our next presentation is from the Sault Ste Marie Autism Chapter. I would ask the presenter or presenters to please come forward, and please state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Ms Saralyn Handley: My name is Saralyn Handley.

Mrs Louise Larocque-Stuart: Louise Larocque-Stuart.

Ms Handley: I will be presenting on behalf of Mrs Larocque-Stuart today. My name is Saralyn Handley, and I work every Saturday with Louise's son Oak, who is severely autistic. Mrs Larocque-Stuart has developed a serious case of laryngitis, a condition she frequently experiences when faced with extreme strain and stress. Preparing for this presentation today was an added task she took on along with all of her usual responsibilities of ensuring her child's needs and programming are met.

Her brief staters:

I thank you for the opportunity to appear before the standing committee on finance and economic affairs. I

have provided each of you today with a copy of my presentation in order to ensure that my comments today are not forgotten when it comes time for you to report your findings and your recommendations to the Legislative Assembly for its consideration. I am here today speaking on behalf of parents who live with the challenges of raising an autistic child and for the right of all autistic children to be treated equally no matter what age, race or gender.

With the introduction of the Ontarians with Disabilities Act, Bill 125, last December, 2001, the government of Ontario has displayed strong evidence that they are committed to ensuring that persons with disabilities can experience the same fullness of opportunity as all Ontarians.

In the preamble of the act, it states, "The people of Ontario support the right of persons of all ages with disabilities to enjoy equal opportunity and to participate fully in the life of the province."

I commend the government for having taken the first steps toward ensuring that inclusion for people with disabilities becomes a reality. In the meantime, though, another reality exists as well, namely, exclusion of people with disabilities from opportunities. Along with those incidents of exclusion, there will continue to exist huge moral, social and economic price tags on both health care and education in the province of Ontario.

The Ontarians with Disabilities Act, Bill 125, does not specify when inclusion begins and what experiencing the same fullness of opportunity as all Ontarians is considered to be. I truly hope that subsection 19(2) of Bill 125 does not fool the government or anyone else into thinking that all angles are covered. Subsection 19(2) states that a majority of the members of the Accessibility Advisory Council of Ontario will be persons with disabilities. Only too often, these individuals who have disabilities are too young to speak for themselves, and many of their parents are too exhausted or have become ill themselves due to the enormous strain and responsibility of caring for a special-needs child.

Let me tell you about the adventure which my husband and I have embarked on over the past four years. In February 1998, a wonderful little boy named Oak came into this world nine weeks early. This past Saturday, February 23, Oak turned four years old. By the time our son was 15 months old, we—my husband and I—had a nagging realization that something was not quite right with the way our son was developing. We shared our concerns with our pediatrician, who finally, after several visits, began a referral process to professionals. Scheduling to see professionals, however, proved to be trying, with long waits for appointments, and delays. As well, the professional whom we saw last was the one who completed the whole picture of our son's limitations. It is truly ironic that Oak's biggest disability was the last one to be diagnosed.

Most of the year 2000, February through to November, proved to be an emotional roller-coaster ride for my husband and I. Please take a moment to put yourself in

our shoes. Imagine it is your child or grandchild who is the person being diagnosed.

It all started with: one, a diagnosis of moderate to severe hearing loss, requiring Oak to wear two behind-the-ear hearing aids; two, a diagnosis of cerebral palsy. Oak is in the 1% to 2% of cerebral palsy children who have low to no muscle tone. He is extremely flexible, and at times clumsy. Last but not least, in November 2000, we finally received the diagnosis which completed the whole picture—Oak is severely autistic.

Just to get this far, we had to push, we had to prod and we had to question. We had to fight for our son's rights. We literally had to push ourselves past the point of exhaustion just to try and find out what was wrong with our son. Up to this point we were one of the luckier ones, for we had acquired the autism diagnosis when he was just under three years of age. Many parents of autistic children do not receive a diagnosis as soon as we did. Some have to go to larger cities, like Toronto. Our son was premature, which gave us access to the infant development program through our local health unit, which in turn had access to the only local developmental psychologist, who was the one qualified to make such a diagnosis. Unless you have a diagnosis, you cannot move ahead and apply for programs and funding. As well, not all autistic children have parents with the skills, the ability or the knowledge to stand up and advocate on behalf of their child. I stand here before you today representing all families of autistic children, because they all deserve equal opportunity and treatment.

After receiving our diagnosis of autism, all my husband and I could think about was the precious time that Oak had lost to date. With autism, the earlier the diagnosis, the better prognosis for development and learning. Unfortunately, we had to wait another four and a half months before we were able to put adequate programming in place for our son Oak. I will touch upon the type of programming later in my presentation.

Autism is so different from any other disabilities. Just imagine the grief—the horror—of having your child not wanting to be hugged or held by you. I would not wish this awful experience on anyone. In essence, it robs children of the very characteristics that define us as humans: empathy, love, language and play. It is safe for me to say that unless you live with it in some shape or form, you, the average person, are incapable of understanding what the implications of this condition can be on the individual and the family.

Despite the disruption of the learning process with autistic children, there is an effective method for teaching them. This method is known as ABA, applied behaviour analysis—or IBI, intensive behavioural intervention, as it is referred to in Ontario. Dr Ivar Lovaas and his associates at UCLA have demonstrated that intensive early intervention can significantly improve the functioning of autistic children. Two follow-up studies, published in 1987 and 1993, have shown that nine out of 19 children who received intensive behavioural treatment were able to successfully complete regular education

classes and were indistinguishable from their peers on measures of IQ, adaptive skills and emotional functioning. Even among those children who did not attain the best outcome, there were significant gains in language, social, self-help and play skills, and all but two developed functional speech. Unfortunately, it is an expensive treatment: between \$40,000 to \$60,000 per year. Only those with a decent income can pay this for their child. Two-tiered health care has existed for some time in the world of autism.

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The province of Ontario announced that it would be funding IBI less than two years ago, shortly after a lawsuit for the discriminatory treatment of children with autism was launched against the government. Unfortunately, there just aren't sufficient dollars being spent in this area to meet the demand of children being diagnosed.

The government of Ontario needs to fund this much-needed program for all autistic children in the province. I have learned that in the Algoma district we have 20 children under six years of age eligible for the program; only seven are receiving funding. Due to time restraints, and not receiving responses back to some of my calls and e-mails, I am not able to make available for you provincial statistics outlining the number of children being diagnosed with autism, and the number actually receiving IBI. Attached, though, you will find recently released statistics showing a drastic rise in autism diagnoses in the United States over the past 10 years. A similar pattern has occurred in Canada as well.

Once we had Oak's autism diagnosis, we were unable to get him into the provincially funded IBI program right away. The presentation to you today is not the forum to provide possible explanations as to why Oak did not get in. Let's just say that at that time there were a lot of families who were all striving to get their child into this program. As well, many older autistic children just missed getting into the program because of their age. You see, once autistic children are six years old, the privilege of receiving provincially funded IBI intervention is pulled right out from underneath their feet. Unfortunately, Dr Lovaas's research only examined the positive impact of early intervention; he did not take this a step further to explore the impact of ongoing intervention. This was, at the time, due to funding limitations. However, nowhere in the literature does it state that ABA or IBI should be discontinued after six years of age. This is the interpretation of the Ontario government. IBI intervention needs to continue on into the school system, for currently special education services in the school are incapable of meeting the complicated needs of autistic children.

By depriving six-year-old and older autistic children of the right to receive IBI intervention, this government is engaging in discriminatory practices. The message being delivered here is quite clear: once autistic children turn six, they no longer require specialized programming and so this critical funding is being cut. Let me ask you, is the funding to acquire a wheelchair for cerebral-palsied

children cut off when they turn six years of age, because they are no longer worth investing in? Are children who require hearing aids in order to be able to participate fully in day-to-day activities told that they will no longer receive funding dollars to assist with the purchase of hearing aids because they simply don't need to hear after they turn six? Do we tell the six-year-old cancer victim that once she turns six she will no longer receive radiation treatment because she's too old? Yet we are prepared to tell six-year-old and older autistic children that they no longer need to engage socially, no longer require intervention techniques to help them adapt to their ever-changing environment.

We already know that autistic children and adults do not learn in the same way that others do. So why would we deprive them of the tool that will help them to function in their communities, their schools and their workplaces? All we are doing is robbing them and their families of a life and ensuring that taxpayers will have a huge bill to pay for the care of these individuals throughout their lives—approximately \$5 million per lifetime.

As mentioned earlier, our child did not get into the IBI intervention right away, when we needed it. What happened? I had to regain my energy once again to start advocating for Oak. My current child care provider was having difficulty keeping Oak five days per week. In the real world, moms and dads who both work require full-time daycare for their children. Quitting our jobs was not an acceptable solution. It would have deprived us of the opportunity of participating fully in the life of the province of Ontario. Finally, in late March 2001, after more pushing and prodding and advocating, we had the opportunity to participate in a pilot project called the early learning resource program, through the Children's Rehabilitation Centre here in Sault Ste Marie. A very brave daycare took on an extremely challenging child for the first time. In less than five months, we went from three days per week to five days per week. And since late August of last year, Oak only requires a one-on-one worker four hours out of the day. On March 4, 2002, Oak will graduate to requiring his one-on-one worker two hours a day. The early learning resource program is an excellent opportunity, not only to integrate disabled children into the mainstream, but also to give non-disabled children and their parents the chance to see how well these children function and participate in everyday life and activities. I am not sure what we would have done if this pilot project had not been available to us at the time. Oak has come a long way since late March 2001. It has been very exciting.

While gathering my information for this presentation, I learned that there exists an internal government document which states that the Conservative government is considering cutting the regulated child care budget by at least 40%. The same internal document states that the government is also considering completely cutting all funding for regulated child care and family resource programs in Ontario. A petition to the Ontario Legislature has circulated, requesting that this Conservative

government protect the current regulated child care and family resource program budgets. The Conservative government has already cut funding for regulated child care by 15% between 1995 and 1998 and downloaded 20% of the child care and family resource program budget on to municipalities. If this government intends to follow through with another 40% cut in the regulated child care budget, they will not only impact the development of non-disabled children, but they will also make it more difficult for disabled children to experience inclusion and a better quality of life.

As of January 7, 2002, Oak has finally been admitted to the provincially funded IBI program. Through his gains and baby steps, which were documented in the Children's Rehabilitation Centre pilot project, we were able to demonstrate that Oak would be a great candidate for the IBI program. Yes, Mom and Dad are excited, relieved and thankful. At the same time, we have just begun worrying about what will happen once Oak turns six years old. The majority of Oak's IBI intervention takes place in the daycare. This is an absolutely perfect example of inclusion. The church where the daycare is located has bent over backwards for this child. They have made available a private room where the discrete trial-and-error intervention which is so crucial to IBI treatment can occur. Yet, in between the discrete trial-and-error times this child is integrated into the regular daycare activities. None of this would have been possible if it weren't for the fact that we had a treatment room available for the one-on-one intervention. When we decrease Oak's need for his one-on-one worker to two hours per day, this will allow the opportunity to increase Oak's discrete trial-and-error time to 30 hours per week.

Last, but not least, I would like to briefly touch upon the many funding sources for special-needs children and the way these funding sources are implemented. The funding sources I am referring to include: (1) resource allocation—I obtain this through CLA; (2) MCSS special services at home; (3) MCSS assistance for children with severe disabilities—I am not eligible for this one due to the income bracket; (4) out-of-home respite—I receive this through the Children's Rehabilitation Centre; and (5) respite care program—through CLA.

This government needs to take a serious look at revamping their current method of disseminating the funding which families receive for special-needs children. These five different funding sources mentioned, which are the ones I am familiar with, are disseminated by three organizations. There has to be an easier, one-stop shopping method for disseminating all these funding sources. It becomes confusing and at times difficult for parents to implement. Let me explain.

(a) Some of these funding sources require parents to hire and oversee their own employees. Not everybody has the ability or the skill to do that.

(b) Keeping track of the funding is also challenging and not a simple task. It's like having to keep track of paying cheques out of five different bank accounts. Respite care programs tend to pay their employees so

little—I am talking about \$6 per hour—that it becomes almost impossible for agencies to recruit and maintain qualified people. We can boast about the number of different funding sources out there for families, but if they are not getting the respite services they need, then obviously it's not working. The best respite care providers tend to be those whom I find myself, but it is crucial that you do not use and abuse your respite care providers, for like Mom and Dad they too can have the tendency to easily burn out on you.

As well, there are so many different key programs identified in the MCSS and Ontario Children's Secretariat 2001-02 business plan, but there does not appear to be any strategy in place to determine if these key programs are proving to be effective. When the government gives different organizations different pots of funding, they do not necessarily enhance the situation for families. Let me explain.

It frequently creates tugs of war between agencies, for many only receive their funding based on the number of clients they serve. Do you have any idea how many clients on some of those agency lists are getting just the bare minimum of services? Yet their heads are being counted as services being provided. In situations like these, parents frequently must advocate for their child to ensure they are receiving the services they deserve.

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Also, the many different key programs identified in the MCSS children's secretariat 2001-02 business plan have created circumstances where agencies tend to develop their services and programs around where money is being made available. As a result, some necessary services may not be made available. Also, parents are left fighting their battles alone, for agencies do not wish to do anything to jeopardize the funding sources they are receiving.

My family is one that lives day in and day out with all of these challenges. In order for us to maintain both our physical and mental health so that we can ensure that our son receives the programs and services he is entitled to, the government needs to address the issues I have raised and ensure funding is in place for all autistic children in this province.

I thank you for the opportunity and for listening to my concerns today.

The Chair: On behalf of the committee, I thank you very much for your presentation. You've used the entire 20 minutes for your presentation, so there will be no time for questions. Thank you.

COMMUNITY ASSISTANCE TRUST

The Chair: Our next presentation this morning is from the Community Assistance Trust. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome.

Ms Shelley Cannon: Good morning.

Rev Wayne Putman: Good morning, ladies and gentlemen. I'm Reverend Wayne Putman, the chair of the Community Assistance Trust. With me is Shelley Cannon, who is our coordinator. I'll do a brief history and Shelley will do the statistical information.

In 1997, the United Way of Sault Ste Marie brought together representatives from service provider groups and interested citizen volunteers to identify the issues which were affecting our community. The results of the forums identified four priority areas, including health, employment, crime and poverty.

In the previous year of 1996, the volunteer centre of the United Way's advisory committee had recommended the formation of a public assistance subcommittee to identify any duplication and gaps in services in our community. This committee held forums individually and collectively with representatives from service provider groups, service clubs and the faith community. The number one priority was identified as being the need for one point of entry where our citizens could obtain public assistance services.

In 1998, the United Way was responsible for initiating the "Building an Extraordinary Community" initiative. The BEC process offered citizens at the grassroots level an extraordinary opportunity to shape the future. Through a series of public meetings, nine solution councils were identified and formed, one of them being the social services solution council. The SSSC, with representatives from service providers, service clubs, the faith community, consumers and citizen volunteers, completed a strategic planning process through an intense series of meetings. The number one priority which evolved out of this process was the need to establish a Community Assistance Trust whereby our citizens would obtain compassionate, coordinated public assistance services.

A coordinator was hired for the trust and the trust was established in November 2000. The Community Assistance Trust has its own advisory committee, which reports to the United Way community services advisory committee. The CSA committee reports to the United Way board of directors, which is ultimately responsible for granting the final approval on all matters.

Ms Cannon: Now that the Community Assistance Trust has been accepting calls for public assistance or referrals to other agencies for one year, a number of statistics have been compiled. We have attached a copy of last year's statistics for your information, and although we could discuss many of these items, we would like to focus our presentation today on lack of funding for seniors' services.

A major gap has been identified in our area with services available for seniors. Realizing many seniors are living on a fixed income from the old age pension combined with the guaranteed income supplement and Canada pension plan, they do not have additional money to make extraordinary purchases. Most are only able to pay for their living expenses alone. There are three items we wish to bring to your attention as areas in which to

increase provincial funding: dentures, eyeglasses and hearing aids.

First are the requests for dentures. The Community Assistance Trust has received 16 requests; out of these, eight are seniors. However, referrals have declined as other agencies have been advised that the CAT does not have sufficient funding to provide this service. We believe, therefore, that the demand is actually much greater than these statistics reflect. The denturists in our area are charging \$550 for each denture plate—\$1,100 for both top and bottom—a price which is actually lower than in some parts of our province. Because this is a unique device created solely for the individual and cannot be resold, denturists are not prepared to accept monthly payments. Therefore, the entire cost is required upfront.

Since the average cost is \$1,100, it is extremely difficult to obtain funding. The Community Assistance Trust has approached one service club, which previously provided funding for dentures, with a request to continue. Across all of Canada, this service club had spent \$1.2 million in 1997 and subsequently decided that they could no longer raise the funds necessary to continue the program. Dentures are, however, a basic health requirement, since without them nutrition, particularly for the elderly, declines, leading to illnesses such as osteoporosis, malnutrition and anaemia.

Second, we have received 19 requests for eyeglasses, three of which were from seniors. Again, seniors are not eligible for assistance for eyeglasses from any other source. As the Community Assistance Trust becomes well known within our community, I'm sure there will be an even greater request for eyeglasses.

Third, we have received 10 requests for hearing aids, eight of which were from seniors. Every person who requires a hearing aid is eligible for a 75% ADP portion from the assistive devices program. However, the balance owing does not come close to covering the cost of the aids and is the responsibility of the individual. Some hearing aids are extremely expensive and can run upwards of \$2,000 owing after the ADP portion.

When individuals are on assistance with Ontario Works or the Ontario disability support program, there is some coverage available. However, as seniors reach their golden years they are no longer eligible for these programs. They lose all assistance for special items such as dentures, dental, eyeglasses and hearing aids.

We need to find solutions to these ever-growing problems for these consumers in our communities. These items are essential to seniors' continued well-being and quality of life and can have a substantial impact on their health. By investing a relatively small amount of money in prevention, seniors will be able to continue to live independently, maintain their health and continue to be active participants in the community.

The Community Assistance Trust refers clients to the appropriate agency or organization when there is assistance in our community for their request and provides emergency aid when there is no assistance available.

However, the responsibility for meeting the needs for items essential to ongoing health must be shared between the community and the province. We do not have the resources to provide these items which are essential to the ongoing health and well-being of senior citizens who have contributed to our community and province throughout their entire lives. They deserve better.

The Community Assistance Trust therefore recommends that the standing committee on finance and economic affairs incorporate the funding necessary to meet the costs of these essential items into their budgeting for the next fiscal year. I would like to thank you very much for allowing the Community Assistance Trust to have our concerns heard.

1110

The Acting Chair (Mr Ernie Hardeman): Thank you very much for the presentation. We have about three minutes per caucus for questions. We'll start with the government side.

Mr John O'Toole (Durham): Thank you very much for your presentation this morning. I also commend you for working together. The most important thing is finding one window to access services. The unfortunate thing is that you've been able to combine the statistics and come up with some very interesting shortfalls. It generally does come down to money in almost every case, and that's unfortunate. I hate to preach or even sound like I'm preaching, but I do accept the observations you've made. I come at it in a little different way: that eventually there has to be some resource, whether it's the Lions Club, the Rotary Club or the government at whatever level, a community, and it's only by working together, certainly, that that happens. Really, if you look at Sault Ste Marie or any community, arguably the problems become more aggravated when the economy is somewhat weak. The threats you've had with Algoma and others really put on stress and make even worse an already difficult situation.

For people who have worked all their lives, it seems like a thankless response when their golden years, as you said, come upon them. Do you have any other suggestions as to how we could somehow—as you described, dentures and hearing aids and these personal items aren't something where there would be some kind of underground economy of any sort, because they're only good for them. You know what I mean? Are there any other suggestions you might have to bring to the committee? Writing the cheque is going to become more and more difficult for whoever is government, because you have to have the revenue to make the thing work.

Ms Cannon: All I know are the statistics that have been gathered in the past 12 months. I actually have this denture venture, and I would assume that around \$15,000 to \$20,000, a small amount, would probably cover the majority of the requests in this community. But as far as other service clubs, no, because they all have their own mandates, they raise monies for their charities, and I have absolutely no luck. I don't really have any other recourse.

Mr O'Toole: I commend you. The coordination of the thing and bringing in the seniors as engaged members on

that, as well as the service clubs, is commendable. You're right, they pick an issue and they say, "We're going to fund children's programs," or whatever they're going to fund. The issue you bring up, though, is important. You found in your statistics—we found it as well, as a province—that the demands for health care and these supportive services are going to grow. That's what the whole debate on health care is about. It's a demographic issue. You use about 75% of your lifetime health care resources from when you're about 65 onward. That's when you need the most.

Ms Cannon: Exactly.

Mr O'Toole: As the baby boomers are growing older, that's the problem, and not just in Ontario. It's the problem in every single jurisdiction because of this ramped up number. You're right, you're just touching the very easily identifiable with the dentures, the hearing aids, the eyeglasses and those other real, day-to-day living needs of people. So governments at all levels and of all stripes are going to have to recognize that, including the clubs that may want to support other kinds of things. Thank you for your work.

Mr Monte Kwinter (York Centre): Thank you very much for your presentation. I'm not clear on exactly what you do. When I read through the brief and I listened to you present, I got the impression that the Community Assistance Trust was a clearing house and it was like a one-stop entry to the various agencies that were available for seniors' problems. Yet in your presentation you say, "There are three items we wish to bring to your attention," and then you go on to say, "The CAT does not have sufficient funding to provide this service." Do you actually provide the funding or do you just refer people to the proper agency that does provide the funding?

Ms Cannon: If a request comes in and there is assistance within our community at another agency, organization or service club, they get referred to that area. If it is an emergency and there is no other funding within our community, then the Community Assistance Trust can look after it.

Mr Kwinter: That's the point I don't understand. Where do you get your funding from?

Ms Cannon: We have a lot of funders. We're funded by charity groups within our community, service clubs, United Way, Ontario Works, Ontario Trillium Foundation. The Elks have also supported funding for us.

Mr Kwinter: So you are, in fact, the funding agency?

Ms Cannon: Pardon me?

Mr Kwinter: You get funds, and you can dispense them as you see the need.

Ms Cannon: Yes, on a one-time-only basis. An example of this would be if someone is in severe pain with dental problems, and they have no coverage. They might be from a low-income working family. We can provide one-time assistance and have their dental needs taken care of. But the Community Assistance Trust wants to be able to find solutions for their long-term needs. We can assist them once, but hopefully we can find a solution to help fit their needs later on down the road. If

somebody calls in for medication, we can refer them to the Trillium drug program, so that any time on a long-term need, they would have their medication covered. In the interim, while they are looking for assistance, we can help them, and then hopefully they'll get on the Trillium drug program within the next 60 days.

Mr Kwinter: In your categories of dentures, eyeglasses and hearing aids—we in the Legislature have been hearing a great deal about seniors who are suffering from macular degeneration. Do you have any dealings with that, and have you made any representations to get funding from the government for that?

Ms Cannon: No.

Mr Kwinter: I happen to represent a Toronto riding. One of the major problems that I find, virtually every day, is that seniors who are on fixed incomes are finding that their rent is escalating to the point where they have virtually nothing left. Once they pay their rent, there's no money for anything else. Do you find that in your area?

Ms Cannon: Yes.

Mr Kwinter: How do you address that?

Ms Cannon: Seniors hopefully can get on to—we have Sault Ste Marie Housing here, Ontario Housing, as it used to be called. We would refer them automatically to Sault Ste Marie Housing, and hopefully they could find emergency housing. That is based on 30% of their gross income, so then they would be eligible for affordable housing.

The other thing you're talking about is that when they use most of their money for their rent, that leaves next to none for food. We've had a really high incidence of food issues in our community, and the stats have shown that. We have not spent a lot of money in that area. That's because there are programs available in our community, and we have a food bank. But it's still not enough. These people are using the same programs over and over.

The Chair: The third party, Mr Martin.

Mr Martin: Thank you very much for the effort that you put into putting together your presentation and coming this morning.

I just wanted to say to Mr Kwinter that we're getting the macular degeneration issue at our office on a regular basis. We've sent numerous letters to the ministry about that. It's another one that needs to be added to the list of things that seniors need, because it's a seniors issue.

I think Mr O'Toole hit the nail on the head. It's a question of money. I'm one who doesn't believe that we should be putting huge numbers of people, particularly seniors, at the mercy of the charitable sector in our communities. These people, as you have said, have worked very hard to develop some of the things that we now depend on ourselves. If it's a question of money—and the government, obviously, in their deliberations are looking at some very basic issues of whether to give more tax cuts or to spend more money on programs. What would your direction be to this government?

Rev Putman: My personal response to that would be, "To the services instead of the tax cuts," because I think

the tax cut, to an individual, is minimal compared to the overall services that can be provided.

1120

Mr Martin: I think it was you who had mentioned in your brief that the amount of money you were talking about that it would take to top up or to—

Ms Cannon: I mentioned that only because of our statistics, and I know the number of calls that I have received. The Community Assistance Trust obviously could assist in this, but we just cannot fund the actual full amount of that request. I'm assuming from last year's statistics that we could handle a couple of thousand, but not \$20,000.

Mr Martin: So at some point you run out, and then people do without.

Ms Cannon: Yes, but that's the case right now. I cannot refer them on to anyone because there is no other agency that will cover or pick up that extra cost for them—as I said, even hearing aids. Say the average hearing aid costs \$800, and ADP brings in—say they get \$500 or \$600. The balance of that is for the senior. You just mentioned that there is a balance owing, that they can only pay their rent, so they cannot afford that extra cost for their hearing aid, nor their food. So they would never purchase the hearing aid; they'll just go without it.

Mr Martin: So there will be some people out there—

The Chair: With that, Mr Martin, I'm sorry. We've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

Ms Cannon: Thank you very much for allowing our concerns to be heard.

ALGOMA COMMUNITY LEGAL CLINIC

WOMEN IN CRISIS ALGOMA, INC

The Chair: The next presentation this morning will be from the Algoma Community Legal Clinic. I would ask the presenter or presenters to please come forward and state your name for the record. On behalf of the committee, welcome.

Ms Beth Walden: Good morning. My name is Beth Walden and I am staff lawyer at the Algoma Community Legal Clinic. Beside me, on my left, is Gisèle Beausoleil. She is a board member with the Algoma Community Legal Clinic, as well as an advocacy worker at the Women in Crisis shelter.

We're here this morning essentially to make a presentation on the impact of cuts to Ontario Works assistance and Ontario disability support assistance and we are available after both our presentations to answer any questions you may have.

I speak as staff lawyer of the Algoma Community Legal Clinic, which serves the needs of low-income people in the Algoma region. As a clinic lawyer for over four years, I have had the opportunity to observe at first hand the difficulties facing low-income men, women and children of the north. I am here to speak to the committee this morning about these barriers and to call upon your

committee to recommend to the government that changes be made to the budgets of government programs which directly impact on our client group.

Of fundamental importance is the need to increase the basic needs and shelter allowance for persons in receipt of Ontario Works assistance. In Sault Ste Marie alone, the unemployment rate for 2001 was 9%. This means that many individuals and families in the area are unable to secure full-time, remunerative employment. What employment does exist is often part-time and minimum wage. As such, many people require Ontario Works assistance for periods of time when they are unable to secure employment, are between jobs, such as seasonal workers, or where an illness or layoff has resulted in persons having no other income. Many others work at what part-time jobs they are able to get but still require partial Ontario Works support, as their wages are insufficient to support them.

Recent increases in the required hours of work in order to qualify for employment insurance often mean that persons with work histories are unable to qualify for EI benefits and thus must utilize Ontario Works until they are able to secure further employment.

In the past number of years we at the clinic have also seen many older women and men, usually in their late fifties or early sixties, who are without employment and are hampered by illness, a lack of skills or available and appropriate work. These aging men and women must also seek Ontario Works support to survive, often until they turn the age of 65, at which time they will qualify for an old age pension through the federal government.

Finally, we see a number of men and women with disabilities, often in the form of cognitive impairments or mental illness, who never accessed the family benefits program or the Ontario disability support program, due to their unique disabilities. They now find that Ontario Works is their only means of survival.

For all these groups, the extremely low benefit rates mean only one thing: poverty and extreme hardship.

I have provided this committee with a number of tables which outline the maximum benefit rates for Ontario Works recipients. The Ontario Works monies are divided into two amounts: basic needs and shelter. The basic needs amount for a single person on Ontario Works is \$195. This amount must cover a person's need of food, clothing, toiletries, household goods such as dish soap and light bulbs, transportation and some utilities.

The second part of the allowance is the shelter portion. For a single person the maximum which can be paid is \$325. You can find that on table 4. Table 3 outlines the average rents in Sault Ste Marie. For a single person the average rent is \$389. This means that Ontario Works recipients must use a portion of their basic needs money to subsidize their rents. As a percentage of their income, shelter costs in Sault Ste Marie eat anywhere from a low of 53.2% of a person's overall income to a high of 74.8%. As can be seen from table 3, single people, couples and single parents with one child spend the highest proportion of their total income on shelter.

People in our community must therefore choose between shelter and food. Tables 7 and 8 make it clear what choices people make. As these tables make plain, the local food bank and soup kitchen must be used regularly by Ontario Works recipients in order to survive. I would also draw the committee's attention to the significant number of meals served by the soup kitchen to children.

As a result of the very low benefit rates, many people in our community must regularly seek assistance from the Community Assistance Trust to cover arrears of rent, utilities, the cost of furniture or appliances or other basic necessities.

We therefore recommend to this committee that the basic needs and shelter portion of Ontario Works assistance be increased by an amount which would enable people in our community to meet their very barest of needs.

As a clinic lawyer, I also wish to draw the committee's attention to problems with the underfunding of the Ontario disability support program. The ODSP serves people who have a substantial physical or mental impairment which substantially restricts their ability to function in the community, to care for themselves or to function in a workplace.

These persons are some of the most vulnerable in our community. While the basic needs and shelter allowances under ODSP are greater than that of Ontario Works, they are still woefully meagre. The maximum amount available to a single disabled man or woman is \$930, with a shelter amount of \$414 and basic needs of \$516.

Luckily, in the Algoma region average rents and vacancy rates are lower than major centres to the south. However, while some ODSP recipients may pay a rent which is lower than the maximum shelter allowance, they are not allowed to use any excess to supplement their basic needs. For example, if a person was in rent-geared-to-income housing and paid \$100 in rent, they would only receive a cheque in the amount of \$616: \$100 for their rent and \$516 for their basic needs, an amount inadequate to guarantee our disabled citizens a decent and healthy standard of living.

A further problem with the Ontario disability support program is the significant barriers to accessing the program. Since its inception, all clinics across Ontario, including ours, have been inundated by persons appealing a denial of disability benefits. The case file statistics provided show that the number of cases of disability appeals has risen from 27 in 1996 to 135 in the year 2000, and it has increased since that time.

When people are denied benefits, their only recourse is to appeal to the Social Benefits Tribunal; which, like the ODSP and OW, is significantly underfunded and requires greater resources to meet the needs of the appellants.

The committee must understand that the percentage of Algoma clinic clients who are denied ODSP and do succeed on appeal ranges at about 70%. It is therefore our experience that the majority of persons who are denied

benefits are clearly denied wrongfully. Such an extraordinary reversal rate means that the disability adjudication unit is clearly not doing its job.

We therefore recommend to the committee that benefit levels for ODSP recipients be increased in order to provide disabled people with a quality standard of living. We also recommend that the apparent policy that most ODSP applications be denied, presumably as a cost-cutting measure, be changed. Finally, if DAU policies are not changed, greater resources must be given to the Social Benefits Tribunal so that they can do their job in a timely and efficient manner.

I have only had the opportunity to discuss some of the most pressing issues facing low-income people in our community. Many others, such as drug coverage under ODSP, removal of rent controls or cutbacks to assistive devices and STEP programs, are equally important but cannot be addressed in this short time.

Low-income people in our community are our fellow citizens. They are our neighbours, members of our families, our nephews, our nieces and even our grandparents. Our fellow citizens deserve to be treated with dignity and respect. At the very least, they require an income level which will enable them to adequately feed and clothe themselves and their children and an income which will allow them to secure and maintain decent housing. We cannot afford to do any less.

1130

Ms Gisèle Beausoleil: Good morning. My name is Gisèle Beausoleil, and I work as the advocacy worker at the local women's shelter. Today I will present information to assist you to create a budget which will provide women and children who have been victims and/or witnesses of violence with an equal opportunity to succeed and enjoy a better quality of life and standard of living.

From April 1, 2000, to March 31, 2001, there were 582 women and children who sought residency at Women in Crisis in Sault Ste Marie, for a total of 5,173 bed-days. We like to believe that the reason our numbers are so high is because women are becoming better educated about violence issues, more aware of their options and are choosing to leave abusive relationships. However, many women are often choosing to return to abusive partners rather than having to face the possibility of complete destitution. After the 21.6% cut to social assistance rates in Ontario in October 1995 by the Harris government, 50% of shelters surveyed said that their shelter was being used more as a temporary respite from violence rather than as an avenue of escape. In 63% of women's shelters across Ontario, women cited cuts to social assistance as the deciding factor in choosing to return to an abusive partner.

Most women who leave abusive partners are forced to live in poverty. There are over a million single-parent families in Canada, and four out of five single-parent families are headed by women. Ontario has the most single-mother families in Canada, between 275,000 and 300,000. Single mothers face an extraordinarily high risk

of poverty, ranging from about a 50-50 risk for older mothers to a near certainty for younger mothers. This is partly because younger mothers tend to have less education and to have younger children, making it harder to work. Poverty rates for single-parent mothers and their children are inconceivable for a nation with resources like ours.

The government relies heavily on widespread ignorance and the stereotyping of "welfare mothers" to justify its punitive approach to welfare reform. Single parents on social assistance are families in transition who have often faced major dislocation due to marriage breakdown, domestic violence, job loss, serious illness or disability. Female-led families are on social assistance for the sole reason that these women have acted as responsible mothers; they did not abandon their children. The average mother will remain on social assistance for about three to four years as she attempts to put her life together and provide stability for her children. The 21.6% cut to social assistance rates in 1995 has had a devastating impact on abused women and their children. This reduction in financial assistance forces a choice on many women: to remain in an abusive situation or face the possibility of complete destitution—not a choice many of us would like to make.

Women have coped with the poverty by eating less food so their children will have more, surrendering children to abusers who have food and shelter to offer or living in substandard housing while giving up necessities such as a telephone. Women are remaining with or returning to abusive partners as a direct result of the decrease in financial assistance. There is currently no equal opportunity to succeed and no socio-economic environment in which all people in Ontario can have the best quality of life and standard of living that too few enjoy. Of course people have responsibility over their own lives and choices, but society as a whole must assume liability for whatever conditions limit the options, opportunities and access for certain individuals more than others.

This committee has the power to provide people in Ontario with an equal opportunity to succeed and create a socio-economic environment where all people can enjoy the best quality of life and standard of living. The priority for the upcoming budget must therefore be to begin to rebuild the social safety net that has been systematically shredded over the last seven years. The need has never been more apparent. What possible excuse could Ontario have for the fact that thousands of people in this province are homeless, discriminated against, denied human rights, forced to rely on food banks and without any source of income? Poverty in Ontario is very real. What's needed is your will and commitment to move toward a solution. Thank you.

The Chair: Thank you very much. We have two minutes per caucus, and I'll start with the official opposition.

Mr Brown: I appreciate getting some of the statistics that we have here, because frankly I didn't know the

numbers, but one of the very serious issues in Algoma and in Sault Ste Marie is the economic situation, and while you put unemployment numbers in, you didn't put employment numbers in your brief. I suspect, if we were talking the same population basis as we were 10 years ago, these statistics would be even more difficult for people to deal with.

Given the economic situation in the district and in Sault Ste Marie, could you give the committee a general idea of the stresses this is putting on community services? I say this because in the downloading situation through the DSSAB, whether it's the Soo city DSSAB or through the Algoma DSSAB, there's been extraordinary pressure put on municipal budgets, which is a property tax base rather than the more progressive general revenue side of things.

Ms Walden: Yes, absolutely. Certainly the Community Assistance Trust that's partially funded by DSSAB and Ontario Works and gets a lot of its money from the child tax benefit clawback is an example of the pressures put on. You can also see that we have included statistics there for the waiting list for the Sault Ste Marie Housing Corp and you can see there that cutbacks have had a significant impact. We can tell from the Salvation Army, from the soup kitchen statistics over the last 10 years that usage of all those resources has increased incredibly.

In terms of impact on the city, essentially what we're required to do now is approach the city, try to get housing for an emergency, shelter, and any other kinds of basic resources in order to meet the needs of the community. The other thing that you will also see in Sault Ste Marie is an incredible rise in the number of very poor people, homeless people, in this community. Welfare rates come and go, depending on how the economy is, but I think one of the things I wanted to point out, particularly by putting the unemployment statistics in, was the fact that many, many people who require Ontario Works assistance are working. Many of them receive what's called a partial top-up, but the lack of anything but minimum wage or part-time jobs means they still require Ontario Works assistance.

There's a program called STEP, which allows for people to retain some of their earnings while receiving Ontario Works, but this has been phased out; it's going to be phased out over a number of years that the people are on assistance. The committee should realize that what we're looking at in terms of Ontario Works assistance is the working poor as well.

Mr Christopherson: Thank you very much for your presentation. I want to underscore a really important sentence that you said toward the end of your presentation. You say, "Of course people have responsibility over their own lives and choices, but society as a whole must assume liability for whatever conditions limit the options, opportunities and access for certain individuals more than others." I thought that was well said when we're in a climate where the majority ruling party believes that tax cuts are the saviour of everything; you know, if they give tax cuts to the rich, then they'll do all

the things necessary and then everybody's boat will be lifted with a rising tide, the trickle-down theory and all of that. The reality is that abdicating your responsibilities to all citizens of Ontario is wrong-headed. It's not the history of this province; it ought not be the future.

You mention STEP. We brought that in as a way of assisting people to stay at work. What makes more sense than providing some assistance to someone who is underemployed or not making enough money to sustain a certain level of quality of life, with the intent that you would help them step along the way until they get to independence? This government seems to think of that as just another burden of cost that certain citizens are putting upon this government, and they're yanking it away.

I'd love to hear one of the government members defend removing STEP, in whatever way you want—economically, socially. Whatever way works for you, defend here today how that makes any sense whatsoever.

For whatever time is left, I want to raise the issue of women who are leading families who are forced as a result of lack of options to go back into circumstances. Sometimes I think some of my colleagues—maybe not necessarily those here today—in the government backbenches, given what Tony and I hear them say, really buy into the stereotype. They really believe that's the reality and therefore it's OK to do the things they're doing, the cuts they're making. Maybe you've got an example, without a name, that you can describe to try to make it human as to what is happening to certain women who are having to make these horrible choices on behalf of them and their children.

1140

Ms Walden: Just before Gisèle goes, I'd like to point out that the basic needs amount—for example, if I am a single mother and I have two kids who are zero to 12 years of age, I have \$532 in basic needs amount. That has to cover my food. Unless I get a bus pass from Ontario Works, which is an extraordinary assistance that they give, not on a regular basis, I have to cover my transportation from that. I have to cover, in most cases, a lot of utilities because the shelter amount only covers partial utilities, and if you go up to a maximum of your shelter—say my utilities are more than how much my apartment costs—out of that \$532 I have to cover those costs too. Has anyone noticed their gas bill has gone through the roof?

We regularly notice women in domestic violence situations, and certainly Gisèle can speak to that, who say, "I can't do it any more." They live in abject poverty and it's better to go back to a cruddy person who beats you up than to live in that kind of poverty.

In terms of food banks, we're talking about a cold place where everybody has to walk everywhere. I can't tell you how many clients I have who have to walk miles every day because they don't have enough money for bus fare. You've got two little kids, you have to walk to the soup kitchen every day, which may be miles from where you live. It really is extraordinary that you ask people to

survive—and this is often long-term. We're not talking about "welfare bums" who are just sitting there enjoying the luxury of the \$532. We're talking about a woman who may be trying to go to school part-time, upgrade her education at that time, has two little kids, and may be on Ontario Works for a long period of time just because of the economy and the lack of jobs.

I have client after client, including women who are 63 years old, who say, "I'd love to work. There are no jobs here. I've got degenerative disc disease," and they are forced to live on \$195. This is what we're doing to our grannies, you know.

The Chair: Thank you very much. We'll go to the government side.

Mr Hardeman: Thank you very much for your presentation. I too agree, and David may be surprised at this, that it's very important to help, not only people who have no job at all but people who are in a job that cannot fully support the costs of things that people who are totally unemployed are getting. Whether you call it the STEP program or whether you call it anything else, one of the major problems that exists is the difference, that it doesn't pay for people to work in certain jobs because they can't make an amount of money to cover the benefits and so forth that are presently in social assistance. So they're being forced into a life of dependency because of that.

One of the things I really wanted to ask about is a process thing and it's rather important. In your presentation you said that the committee must understand that the percentage of Algoma clients who are denied ODSP—70% of them win on appeal.

Ms Walden: Actually, that's lowballing it. For our annual general meeting, we decided to take a look at what our win rate was, without, I think, even looking at reversals, because sometimes what will happen is the day before the hearing, the DAU will actually take a look at the file and go, "Oops, they're disabled," and reverse. We were getting anywhere from, on appeal, 75%—and I sort of lowballed it for you because it would have been taken three or four years—70% of the people we're representing are winning.

I was just at a conference that said that the general SBT reversal rate was 50% across the province. Maybe that shows we're a good clinic or maybe they make bad decisions in Algoma, but still, 50% of the decisions are wrong. That's the disability adjudication unit. I think it's underfunded; this is one of the problems you've got there. Number two, I think there is a policy, unwritten, that if you deny people, they'll eventually go away.

I have a perfect example. I have a lot of people with extreme cognitive impairments, what used to be referred to as mental retardation, who are unable to read, who don't know the complex process in the system, and it's very easy, once we get all the medicals, which we end up having to pay for and submitting to the government, to have it reversed. Yes, it's a very high success rate.

The Chair: Thank you very much, Mr Hardeman. We've run out of time.

On behalf of the committee, thank you very much for your presentation this morning.

Ms Walden: I thank the committee for listening to our concerns.

ALGOMA DISTRICT ELEMENTARY TEACHERS

The Chair: The next presentation is from the Algoma District Elementary Teachers' federation. I would ask the presenter to please come forward. Could you state your name for the record, please. On behalf of the committee, welcome.

Ms Gayle Manley: Thank you very much. My name is Gayle Manley. I am the president of the Algoma District Elementary Teachers. Algoma District Elementary Teachers represents a local of just over 500 members across Algoma district. For those of you who have sat on the committees looking at amalgamation and the Sweeney report, you know how big it is. It's the size of Great Britain—over 50,000 square kilometres.

We welcome the opportunity to speak to the members of the standing committee on finance and economic affairs about issues affecting our students in Algoma. Education funding is the most important investment our province can make, an investment in the children of today and of course our future. The objective of this presentation is to indicate areas where improvements need to be made to education funding that will directly affect not only the students of Algoma but also the students in every political riding in Ontario.

The Algoma District School Board was formed in January 1998 through the amalgamation of six English-language school boards: Chapeau, Central Algoma, Hornepayne, Michipicoten, North Shore and Sault Ste Marie.

In 1997, the Algoma district area boards, before amalgamation, had a combined budget of \$133,061,345, and that serviced 45 elementary schools and 12 secondary schools. On amalgamation, the revenue level of the amalgamated school board was approximately \$10 million less than that of the combined former district boards. Reduced funding forced the board to cut staff positions in the second year of Algoma's existence as well as a number of programs like guidance, design and technology, the enrichment program and instrumental music.

During the 1999-2000 school year, 10 schools were under study for closure because of that low enrolment and capacity issue, according to how the government funding formula calculates the use of space in an elementary school. However, the end result of these feasibility studies meant that three elementary schools were closed. These closures meant longer bus rides for many students north of Sault Ste Marie and in the Elliot Lake area, and a complete upheaval in school organization for families in Elliot Lake and also Sault Ste Marie.

These closures also meant a move from the culture of small schools to larger ones. The anxiety this caused

students and parents is difficult to measure but nonetheless a reality of the closure process. For those of you on the committee who have had closures in your own areas, you know. You probably received many phone calls. In Algoma, one school closure meant that a number of native children had to be moved from a school of less than 40 students to a school of over 250 students—a culture shock that cannot be ignored. There is still concern over possible future school closures in Algoma.

The requirement of the funding formula to operate schools at capacity is unrealistic for many schools in both urban and rural areas. This requirement regarding capacity forces boards to close schools in small communities and bus children to larger schools, often to another community. These are decisions which profoundly affect students, parents and communities where the elementary school is the centre of community activities.

Research supports the positive effects that small schools have on students and families. It's interesting to note that there have been studies which attest to the advantages of small schools—and I noted one of them here—in particular for those students who are poor. "Small Schools Found to Cut Price of Poverty" was found in Education Week in February 2000. The loss of small schools, whether in municipal or rural areas, has and will have adverse effects on communities and families.

I'd like to take a look now at the funding formula and some difficulties for northern boards, and rural boards in particular.

The funding formula established by the government of Ontario has done little to support smaller schools. People for Education's report, Ontario's Small Schools, which came out in November 2001, states that 66% of Ontario elementary schools have fewer than 400 students. In Algoma, 100% of the elementary schools have less than 400 students. The largest school has 324 students. Out of 41 elementary schools, 30 have between 121 and 260, and that's classified as small by the People for Education report. Then there are six schools that have even fewer students.

Herein lies the difficulty for rural and northern boards like Algoma. Pupil enrolment in schools generates funding. For example, 364 full-time students generate funding for one full-time principal. The largest school in Algoma, therefore, does not generate enough funding for a full-time principal. As is so succinctly stated in the People for Education report, "High per pupil targets in the funding formula discriminate against Ontario's smaller... schools."

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The Algoma District School Board, however, has made a commitment that every school will have a principal, although one school is twinned with another under the leadership of one principal. However, because this is not funded, the board has had to make cuts in other areas. Even the Ministry of Education's so-called improvement to the funding formula, the small schools allocation, designed to "offset the higher per pupil cost of

programs in small schools," applies to only five of Algoma's schools. This special funding is limited to schools with 20 pupils per grade or fewer.

Let's take a look at other examples in the funding formula. It takes 272 students to generate funding for a full-time secretary. This applies to four elementary schools in the district. Other schools with fewer students have secretaries with reduced hours, which may at times mean that there may be no one in the main office. This actually has come to mean a safety issue in a number of schools. I could give you stories related to that of people coming in, angry citizens in some form or other, and the police have had to be called as a result of the violence they've expressed.

No elementary school in Algoma has enough students to fund a full-time librarian, and this is a terrible situation. It says 769 are needed to get a full-time librarian. Teacher-librarians have gone the way of the dinosaur in Algoma. They are no longer in our schools to bring that great new picture book to the primary students, to help junior and intermediate students with research or to purchase new books for the shelves. One teacher, who is actually a former librarian, described the libraries as being pathetic.

Without librarians tracking and cataloguing books, the loss to the inventories of elementary school libraries has been extraordinary. In fact, since teacher-librarians have been cut in Algoma, few schools have ordered new books for the library. Who is going to do that? Some schools have even packed up books to make way for computers.

Library technicians, who now work in Algoma's elementary schools, are there for a minimal number of hours weekly. As one library technician stated, "I hardly have time to keep the books organized and the library clean."

The decline of libraries in rural and northern elementary schools is another result of inadequate funding. The funding formula puts students in northern and rural boards at a disadvantage. It seems to consider a large urban school of over 400 students as the model that facilitates certain services. Moreover, the fact that the funding formula differentiates funding and class size for elementary and secondary students means that if cuts have to be made, elementary students are more likely to experience loss of programs and services than secondary students, and that has happened in Algoma.

A critical issue right now is special education, and hopefully you will hear from different groups today. In rural and northern boards like Algoma, this is exacerbated because of the lack of services and supports in the communities. Since amalgamation, Algoma District School Board has consistently struggled to adequately fund special education programs, and I'm sure you've all heard about that in your own constituencies. The losses, at times, have included the position of a behaviour consultant; a special education coordinator, who was responsible for testing and programming; a speech-language pathologist; as well as cutbacks in the number of resource teacher positions and educational assistants.

Every year since, Algoma has had to go into reserves to maintain services to our most vulnerable children.

Add to this the cuts to agencies and ministries. When local agencies lose funding, they look to school boards to provide services for children. Added responsibilities without additional funding leave administration and staff in school boards frustrated at their inability to provide the support needed. But what does this do to our students?

In the Algoma area, there are no child psychologists or psychiatrists, nor any network of support such as southern boards may have from training hospitals in their areas. Unfortunately, in order to qualify for ministry funding for students in need—and this actually applies in particular to those with a conduct disorder or a mental health issue—the diagnosis of a psychologist or a psychiatrist is required. For boards in the north, it is difficult to get these professionals to your area without a high cost. Algoma has managed to do so under a contract, but they pay accommodation, food, travel, plus a daily rate in order to purchase this service. This money could be going elsewhere.

In the past, a board could control where its funding went, based on needs. Municipal taxes supported these specific needs. Not only should there be more funding available for special education programs, there must also be a change to how special education is funded. At this point in time, there is no specific funding for learning-disabled students from the Ministry of Education and Training, and this is a tragedy. Learning-disabled students are 49% of the special-needs students in Algoma. Without adequate support, these children will fall through the cracks. Tragically, this appears to be more than a crack—rather more like a chasm.

I briefly want to take a look at school supplies and what's happening in Algoma. Some of it's subterranean; you can't quite grasp in different schools what's happening. But this is my understanding in the survey that I've taken.

Fundraising has always been a part of school life, usually for class trips. Unfortunately, what now is taking place in Algoma is you find things like books, school supplies, sports equipment, computers and curriculum materials being fundraised for, if that's a verb. In some schools in Algoma, parents are paying what is called a student activity fee, providing funds for students to participate in swimming, gymnastics, dance, drama classes and for student agendas. What one has to consider is that for some schools this is possible, for others not. The opportunities for children in poorer areas are certainly limited to what a family is able to pay.

What also is evident is that many schools are no longer able to provide adequate supplies like pencils, scissors, rulers, erasers and notebooks. If you have children, you may have actually seen the little note that comes home. At the beginning of the year, lists are sent home as to the supplies needed to begin the year. One teacher said that she regularly sent notes home indicating that she needed assistance to provide supplies for an upcoming art lesson or science experiment.

I'd like to address some of my own members right now. Algoma teachers are highly qualified and believe in lifelong learning. They continue to upgrade qualifications and seek out professional development opportunities to enhance their professional portfolios and the learning environment of their classrooms, because that's why they do it. In a recent Canadian survey, over 85% of teachers indicated they had participated in formal courses and workshops in the previous year. This is a report from the year 2000. Well, Algoma teachers are no different; 79% of Algoma teachers have degrees and courses beyond a bachelor of arts degree.

The government can support its teachers by restoring three of the professional development days which were taken away with Bill 160. Instead of a plan to decertify teachers if they do not take 14 credited courses, recognize that teachers are professionals, highly qualified, able to determine their own professional development needs, and provide boards with the funding to offer a wide range of learning opportunities on these professional development days.

I summarize the recommendations. Although they certainly don't cover all the wish list, they cover some:

That the funding formula be amended to include: (a) a review and reform of the formula for capacity in schools so that it does not disadvantage our students in small schools; (b) changes to the funding formula to decrease the number of students needed to generate principals vice-principals, secretaries and teacher-librarians in elementary schools; (c) an increased foundation grant for elementary pupils to eliminate the gap between elementary and secondary funding; (d) increased funding to reduce elementary class sizes; (e) changes to special education funding that allow boards some leeway to meet local needs but also recognize the need to provide support for our learning-disabled students; (f) that the ministry restore three professional activity days to allow for authentic professional development and that it be adequately funded.

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That the Ministry of Education reconsider its expensive plan to test every student at every grade level. Spending \$9 million per year on testing, as we do at present, could be directed to resources or special education.

That the government ensures that there are no new tax cuts, which have placed our education and health system in jeopardy. With that \$200 tax cut, those parents have had to buy classroom supplies, hearing tests for children or testing services for learning-disabled children.

In the last six years in Ontario, we've seen drastic and often tragic changes to all aspects of our daily life—health care, education, the environment and social services. The bottom-line philosophy of the present Ontario government has put many of our most vulnerable at risk. Our children will pay a high cost, whether it be in Algoma or Toronto. Since 1997, the budget of the Algoma District School Board has decreased by more than \$20 million. The resulting loss of programs, staff,

services and school closures has meant decisions adversely affecting our students. Schools find themselves in the position of having to fundraise or charge student fees in order to provide supplies and programs for their students. The funding formula, touted as a universal funding model, has disadvantaged small northern—and that's small in population, not size—and rural school boards.

Do not ignore the reality of our classrooms and the needs of our students as you prepare the budget. Education funding must increase to support all children in Ontario in an adequately funded public education system. All our students deserve the best education we can provide. This means providing all of our students with the support they need, whether in the form of smaller classes, adequate special education funding, adequate supplies or increased funding for elementary students. Our students deserve more, not less.

The Chair: You've used the entire time for your presentation this morning. On behalf of the committee, thank you very much for your presentation.

Ms Manley: It was 20 minutes?

The Chair: Yes. You've used 19 minutes and 20 seconds, to be exact.

Ms Manley: I'll be available for a little while if anyone wants.

The Chair: I beg anyone to challenge me with regards to the time, because I keep very close tabs on it. I think all members are aware of that.

Ms Manley: No, I actually didn't mean that. But if any member wanted to talk to me out in the hallway, I'm certainly willing.

The Chair: Thank you.

COALITION FOR LEGAL AID TARIFF REFORM

The Chair: Our next presentation this morning is from the coalition supporting tariff review. I would ask the presenter to please come forward. Could you state your name for the record. On behalf of the committee, welcome. You have 20 minutes.

Ms Carol Shames: My name is Carol Shames. I have been asked to make the presentation on behalf of the Coalition for Legal Aid Tariff Reform. Just to give you a brief outline as to the composition of this coalition, it is a group of legal organizations that are seeking reform of the legal aid tariff. That coalition is comprised of the County and District Law Presidents' Association, Criminal Lawyers' Association, Family Lawyers' Association, the Law Society of Upper Canada, the Ontario Bar Association and the Refugee Lawyers Association.

This group has come together to seek this reform that lawyers in the province of Ontario feel is long overdue. The coalition is seeking an increase in the legal aid tariff to \$100 to \$125. The committee should be aware that this tariff has not increased since 1987. The committee is also seeking a permanent review mechanism to ensure

reasonable remuneration in the future. The difficulty has been that there have been many requests over the years to increase the tariff; that has not occurred and there currently is no mechanism within Legal Aid Ontario to permit tariff review.

I should explain a little bit about how the certificate system works. If someone wishes to apply for legal aid, they go to a local legal aid office, make application and they may or may not receive a legal aid certificate. I can advise you that there are only certain areas of law that are covered by a legal aid certificate—specific areas of criminal and family law. There are very few other areas, other than immigration, that are covered.

There is a very low income threshold by which a client can apply; for example, a family of four with income of just over \$15,000 is not eligible for a legal aid certificate. And the number is obviously much lower for a single person.

The legal aid plan is for needy people and only for specific proceedings; for example, to defend only certain criminal charges, for support and child custody and child protection hearings. For example, a parent who seeks support, and the other side is not prepared to pay that support, then must apply for a legal aid certificate.

The current tariff is \$67 to \$84 an hour. The effect of inflation has seriously eroded that amount, and obviously the costs of running an office have increased in that time period. The tariff is much lower than the hourly rate of most lawyers. The average lawyer charges \$165 to \$200 an hour; some of you have probably experienced rates that are much higher than that. This is not a make-rich scheme for lawyers. The statistics tell us that the average lawyer in Ontario who takes legal aid certificates earns approximately \$10,000 a year, and the increase requested would mean an additional approximately \$5,000 a year.

The real effect of the tariff inadequacy has been that the great number of lawyers have refused to take legal aid certificates. The most recent statistics, between 1996 and 2001, indicate that 25% of lawyers who prior to that time period took legal aid certificates have now refused them. There is an increasing number of unacknowledged certificates, which means that the client is eligible for the certificate but cannot find a lawyer who will take the certificate. We have an increasing number of unrepresented people, both in the criminal courts and in the family courts. Those are people who need legal assistance and who cannot find it although they are eligible for legal aid.

You ought to be aware that unrepresented clients in the justice system have a great impact. The government has brought about a number of reforms in the last few years, including case management and a change in the rules, for example, in Family Court, to try to move cases through the system in a more efficient way, reducing the number of trial days and so on, and those efforts will not be successful, in my mind, if the legal aid tariff is not changed. If you have unrepresented people in the system who are not familiar with the procedures, the documents that have to be filed, then their matters will take longer.

In a small city like Sault Ste Marie, we have a decreasing number of lawyers. We have a great number of lawyers who have left the city in the past few years and a number who have taken on full-time positions as crown attorneys and in other areas, such as the children's aid society, and that means fewer numbers for families or clients to choose from. That has resulted in serious difficulties; for example, if a woman is at the local Women in Crisis centre and needs a lawyer to represent her to get back into the matrimonial home, she may have considerable difficulty in finding a lawyer who will take her case on a legal aid basis.

I have provided to the committee a document entitled A Report to the Standing Committee. If there are any questions, I would be happy to answer them.

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The Chair: Thank you very much. We have approximately three minutes per caucus. I'll start with the third party.

Mr Christopherson: Thank you very much for your presentation. It's interesting to note that two of the areas you specifically bring forward that have difficulty with certificates that are unacknowledged are represented by two Tory members here, so I know they're going to take a real interest in solving this problem.

Just help me out. If we have a situation where someone comes before a judge and their certificate has been—the term is “unacknowledged”—unacknowledged and they have no legal representation, what does the judge say at that point?

Ms Shames: It may depend on how long this has gone on. If it's the first time in front of the court, they may be given an additional opportunity, for example a number of weeks, to find legal representation. If they are unable to do so, then they may at times be assisted by duty counsel. However, duty counsel are not authorized, for example, to conduct a trial. They may find themselves on their own—completing documents, attending case conferences and settlement conferences—and may in fact have to represent themselves at trial.

Mr Christopherson: Has there been a case of anyone taking up a charter challenge on this, that you deny someone their rights by forcing them to go through any kind of legal process where they're not given legal counsel?

Ms Shames: There have been challenges at the Supreme Court of Canada level, I believe it was in the province of New Brunswick, where the government was required to provide legal aid assistance to a client. I'm not aware of a challenge where someone has a certificate but is unable to find anyone who will do the work for them. I'm not aware of that.

Mr Christopherson: I wouldn't be the least bit surprised if the charter—I mean, who can speak for a supreme court, but ultimately, if the right is being denied, the court is usually not as concerned about why at the end of the day if it's a basic fundamental right, guaranteed everyone by virtue of citizenship.

For most of us, it's hard to take that in, that someone would actually have a certificate that says, “I can get

legal advice,” but they can't find anybody who will take it, because it's not worth enough to make it worthwhile for a lawyer to take up the cause. You're going to get a few in every community who are very socially conscious and care, and that's the way they conduct their lives; there are people here today who have made presentations. But the vast majority of lawyers are just not going to do that, and I don't think they should be blamed. But at the end of the day it seems to me that the government has an obligation to ensure that the certificates are worth enough that the average lawyer is going to be willing to take it up if they have the time. If they don't, if they say, “No, it doesn't pay enough to make it worthwhile,” then I would say to the government members through you, Chair, that if this were a business scenario, your immediate answer would be, then nothing is acceptable except to raise the value of this certificate so that it's marketable. If it's not marketable, then individuals are going without their rights.

The Chair: With that, Mr Christopherson, we've run out of time.

Mr Christopherson: Your timing is impeccable. You waited until I took a breath, and then you were in there.

Thank you for your presentation.

Mr Hardeman: Thank you for your presentation. As Mr Christopherson mentioned, one of the two references is Woodstock, and that happens to be the centre of one of the best two ridings in the province. I just wanted to ask about that. You suggested that half of the duty counsel and a third of the criminal duty counsel abruptly withdrew their services. I think it kind of follows up on what Mr Christopherson was talking about. What happened? If the duty counsel is not there and the judge hears the case or it comes before the judge and one person says, “I have no representation; I want it, but I can't get it,” what does the judge do with that case? Were a third of all the cases in Woodstock discontinued, and are they still that way, or what happened?

Ms Shames: I cannot tell you what happened in August of last year with respect to what occurred in Woodstock specifically. I can only give you a general answer and that would be that it would depend on the stage at which the proceeding was at the time the person did not have representation. If someone already had representation, it would likely be at the trial stage, and the duty counsel, for example, would not be withdrawing. In these instances where duty counsel withdrew their services at a particular time, it would mean that clients or parties in front of the court on that day would not have assistance. That would likely mean adjournments of a large number of cases to another date. That would mean for some people a postponement of any relief from the court. But I cannot speak specifically; I can only speak generally to what would happen under those circumstances where someone does not have representation.

Mr Hardeman: I'll refer my time to Mr O'Toole.

Mr O'Toole: I'm from Durham. I just want to make a comment on acknowledged certificates. I know the CAW has legal coverage in their contract so that employees are

entitled to it. It's the highest income for Canada and there's probably a lot of work for lawyers, which is probably why there are so many that aren't fulfilled or acknowledged. But it's an interesting statistic. I might look into it.

In the case of what we hear in our offices, it's probably family law, really. That's probably the biggest area. There have been attempts to deal with the administration of justice and the rest of it, court administration. In the family law area, what do you think of the attempt to almost entirely develop very specialized people in mediation and just forget the lawyers? My son's in law school, so I don't want to do him out of a job in the future, but what about that? It's a very specific area. It's sort of combative and the courts aren't particularly flexible, I suppose. What do you think of that?

Ms Shamess: If you're talking about the move to mediation as a requirement in some areas before you can—

Mr O'Toole: Yes, proceed.

Ms Shamess:—proceed with your court matter, I don't have any statistics on the success of mediation under the mandatory program. I think we ought to keep in mind that mandatory mediation did not apply to family law matters for a very long time, so I don't know that there's a lot of material on it.

I can tell you my personal experience as a family law lawyer and as a mediator is that quite often it is the timing of the mediation that becomes important, the willingness of the parties to come to mediation and, in general, the public's understanding of mediation. I think we need to recognize that, especially in emotional issues like family law, mediation is not always the answer and not always successful. I think that in the mandatory mediation program there was a great deal of sensitivity about forcing those in the family law area, clients and parties, to jump into mediation and it was left out entirely, at least for a period of time.

Mr Kwinter: Thanks for your presentation. I've been around a fair number of years and it seems to me that this has been an ongoing debate between the government and the Law Society of Upper Canada. It was my impression that the Law Society of Upper Canada has taken over the administration of the Ontario legal aid program. Wasn't there a commitment by the law society to also have their members provide funding, on either a pro bono or some contributory basis to the program? Are you familiar with that?

Ms Shamess: Yes. The Law Society of Upper Canada actually gave up its administration of the legal aid plan in about 1998. Legal Aid Ontario is now a separate corporate body run by a board and funded, obviously, by the government, and so it is no longer linked, as it was, to the Law Society of Upper Canada. At the time of the transfer, if you will, of the responsibility for legal aid, there were some changes made. For example, lawyers contributed back about 5% of the fees in every legal aid certificate; that was removed, and now it is just a straight

hourly rate at which lawyers are paid, but the hourly rate itself has not changed. So the responsibility has shifted.

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If you're speaking of the pro bono discussions that have taken place in the last few months, most lawyers already do pro bono work, pro bono meaning without being paid. For example, a great number of lawyers who take legal aid certificates are not paid for all of the work done for the parties. For example, in a family law matter, a lawyer is allowed something like 11 hours, which is not a very long time period to accomplish something if you have to go to court. Many lawyers may spend 15 hours but are paid for only 11. So the other four hours is the pro bono element, if that's what you're referring to. But I don't know very many lawyers in the province who don't do pro bono work in one form or another, either by taking a case and not charging any amount or charging much less than their hourly rate or, under the legal aid plan, by accepting a certificate and maybe doing much more work than is allotted for and not being paid for it.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

Ms Shamess: Thank you for permitting us to make this presentation.

ALGOMA DISTRICT SECONDARY SCHOOL PRINCIPALS

The Chair: Our next presentation is from the Algoma District Secondary School Principals. I would ask the presenter to please come forward. If you could state your name for the record, on behalf of the committee, and welcome. You have 20 minutes for your presentation.

Mr Vincent Greco: Good morning. My name is Vincent Greco. I'm principal of Sir James Dunn Collegiate and Vocational School here in Sault Ste Marie. Thank you for the opportunity to address you this morning and thank you, too, for the timing, because it got me out of lunch supervision.

I'm no expert on educational finance. I'm a practising principal in a school of about 1,000. The points that I'll be making I've discussed with the other principals and they just speak out of our needs and the needs of our schools, our students and teachers, as we see them.

I'm going to go according to the text; I won't read from it all the way through, but I will refer to it as we go.

First of all, the area of textbooks: with our whole new curriculum, virtually we need new textbooks for every subject. In grades 9 and 10, those textbooks were provided as available; some weren't, because the publishers weren't able to produce them, especially for courses at the applied level. For grade 11, funding was provided for math, science and English textbooks, although not enough. We're in a situation now where we're sharing textbooks not simply between schools in Sault Ste Marie but schools such as Hornepayne, Elliot Lake and Wawa. We're trying to ship books back and forth from school to school to meet needs. It's crazy, and it will get worse. We understand that the government has

cut its special funding for textbooks in the area of 50%. Frankly, it baffles the mind that we're expected to deal with one of the most sweeping changes in education but we aren't given the most fundamental of resources to carry them through.

The second point is curriculum. We're finding basically that the applied level program has the rigour of the academic program, as promised, but it's a rigour that students who would have studied at the general and basic levels are finding impossible to meet; certainly the students who would have studied at the basic level cannot handle an applied curriculum. It could be that it's a problem of adjustment, but I think our students have a right to an education, they have the right to a program that they can follow through to graduation; a certificate at the end of grade 10 isn't really fair or just. Resources have to be dedicated to a swift study of the applied program with appropriate measures taken to see that students' needs are met fairly and realistically. We can't marginalize these learners because the straitjacket that we've made for them doesn't fit.

Staffing shortages: there are a number. First of all, with the decision to allow the 0.5 or the extra half class that teachers were supposed to be teaching to be given to other added duties—assistance as opposed to teaching classes—we ended up having to cut classes across the province probably in the area of 8% to 10% because when we took the teachers out of those classes, there wasn't the funding to put other teachers into those classes. So those classes were cut. As a result, we have fewer opportunities for students. Subjects that couldn't have the appropriate numbers ended up being cut first. Other classes have ballooned, especially in mandatory subjects. Sixty of my classes, about 21%, are over the numbers that theoretically we would have been staffing them at, and 25% of them are in what would be violation now—not 25% of my classes but 15 of those classes out of the 60. If we believe in quality education, we need to be hiring more teachers.

Also, we're understaffed in guidance services. Those services were affected by the decision to move away from the 6.5 in the classroom, so guidance sections were cut. They're understaffed to begin with because of the new demands. Students in the four-year program having to earn 30 credits, where kids would have been earning 30 in a five-year program, are under the gun to make good choices, and it requires more guidance. We have a teacher-adviser program that needs to be planned, organized and supervised, and this demands more guidance. Finally, next year, with potentially double the number of students graduating, we need more guidance there to help those students pick their universities, figure out the path they're taking, and we need more help. We need to increase funding for guidance.

Subject area leadership: we've been cutting resources for department heads, lead teachers, things like that, at a time when we're going through the biggest curriculum change in Ontario's history. We should be having more people, more money and more leadership in the schools

to help teachers through and to help students deal with the new curriculum in the best way possible for our students.

The other thing I would mention is something that Gayle Manley also referred to with elementary schools, and that's the funding formula regarding the foundation grant for principals. I mention principals; it does apply to librarians and vice-principals too. One of our schools out of 11 high schools meets the criteria for a principal. We have a school in Hornepayne of 90, and you need to have the school there. The same thing happens in Chapleau, where we're under 200. We need the schools; you're not going to be transporting these kids, and even if we could, the transportation budget isn't there anyway. We need a more realistic staffing formula, considering the kind of geographic board we're in, and I would think this applies across the province to areas outside of the high-density core.

Extracurricular leadership: we all believe in extracurricular activities, but I don't think anybody has paid attention to the amount of work that is required to administer, supervise and organize those activities. At one time, our athletic directors would have two periods a year for the boys, two for the girls. That's gone. Yet the expectations are there. These people are responsible for finding coaches, officiating, arranging transportation, uniforms, scheduling. There is so much to be done. I would say that if the government wants to champion students' rights for extracurricular activities, they have to provide the time, never mind extra money, as part of the position to see that it's done properly.

1230

Special education funding: the ISA model is a catastrophe. We find that our teachers and consultants are spending more time—hours and hours—working on ISA claims than they are teaching students. We have students who are going unidentified because the consultants don't have time to deal with that; they're busy with ISA claims.

The reduction in funding to other social agencies means supports that we need for our students, a lot of them with special needs, aren't there in the community. A good example of a problem we have is with regard to testing. The colleges and universities have recently decided that someone who is going on to college or university and wants special services has to be re-identified in their last two years of school. That does fly in the face of what a learning disability is by definition, but also those tests cost over \$600 and the boards don't have the money to pay for them. The universities and colleges are likely not paying for them. That ends up being put on to the student and the student's family. It might be all right for me and my son, who had to go through it. I could find the \$600 but there are a lot who can't, and I don't think it's right. If we're going to insist on something like that, we've got to be prepared to pay for it. There's a question of whether we should be insisting at all.

Technological support, computers and education across the curriculum: every discipline, every course

profile, every curriculum mandates using computers and technology as part of the curriculum. The demands this puts on technological support are tremendous. They can't keep up with it. We need to increase funding for that area of education. We have kids who can't get on the computers because they haven't been assigned a number. We have program software that hasn't been loaded on computers for curricula because they just simply don't have time to get around to it. You find you're months, or longer, into a curriculum and the resources aren't there. My science department bought all kinds of software and additional materials for using the computers for grade 9 three years ago that still isn't available to them because we haven't been able to arrange to have it made available with computers. We need to increase technological support.

In technological education itself, we get back to the traditional technologies, construction, transportation, manufacturing. Our schools are aging. The equipment they use certainly is not in keeping with what is found in industry today and we need to review technological education so that we're addressing the real needs so that we are able to produce the tradespeople that our country really requires. To do that, we need to upgrade what we've got available in technology.

I refer next to the "not so double" cohort. Next year, we're supposed to be graduating the grade 12s and the grade 13s, let's call them, all at once. Universities and colleges are saying they can't accommodate them. They are already acknowledging that. We may have not an influx but a reflux of students who are supposed to go to university or college and can't because there isn't space for them. A number of them may be back in our schools, and yet the funding, we've been told, is going to be based on the projected enrolment, which doesn't include those kids coming back. Somehow there's got to be a contingency built in so that we can provide for them properly and not simply say, "Sorry, the money's here, we can't help you," because then it disadvantages students who are still coming through the system. We're going to be stretching our resources too thinly.

Provincial testing: as Gayle Manley referred to, I have concerns about the extent of provincial testing. I would question the idea that we need to be testing every student in grade 9 math or giving every student in grade 10 a literacy test every year. Good snapshots should give us the picture we need. We don't need IMAX.

The literacy test is another example. Using it as a requirement for graduation, I don't know that we're making our students more literate. It's good to focus on literacy, it's good to pay more attention to it, but as a requirement for graduation, I would find it questionable.

With the resources that we're short, in terms of textbooks, problems with curriculum that need to be addressed, short staffing, I think we need to look at how we're spending money on testing and ensure that we're not serving optics instead of education.

PD: I think it's important that teachers continue to develop themselves professionally. At the same time, in

industry, if you want people to upgrade or to train, industry pays for it. The same thing should be happening in education. If we expect people to be going through professional development, then the employer should be paying the fee. It shouldn't be something that's put on to the employee, as it is right now to a degree. The school year has 194 days; only four of them are dedicated to PD or PA, professional activity. It might not seem like a big deal, but when we only have three or four days for professional activity, we take two of them for PD. We go right from exams to semester 2 at the end of the first semester. No time to reorganize, no time to get ready for the second semester. That's for students too. They're going into the second semester not knowing whether they passed or failed the first semester courses.

I think that the school year needs to be adjusted, whether it's lengthened or whether we cut the number of instructional days. I'm not suggesting which would be better, but I think it needs to be addressed.

That basically covers all the points that I want to make. They're in the paper. If there are questions, I'll try to answer them.

The Chair: Thank you very much. We have one minute per caucus.

Mr O'Toole: You're not a member of the union?

Mr Greco: No, I'm not.

Mr O'Toole: OK, I just wondered. Your whole issue here is basically you're short a lot of money. I might sometimes agree, if the money's spent appropriately. My daughter is a high school teacher, and I have an ongoing relationship on that basis.

I look at this thing from the bottom up. If you have a thousand students, and the grant's roughly \$7,000, that's \$7 million. A thousand students generates approximately 50 teachers; at \$50,000 each, that's \$2.5 million. Give each child \$100 a month for transportation; that's \$1 million. We haven't spent half the budget yet. Where's the money going? That school, your thousand, would get \$7 million. Not the fact that you don't want testing—what alternative besides adding more money can we get into? There's no one—

The Chair: A question?

Mr O'Toole: Should we pay teachers for extra-curricular activity?

Mr Greco: I don't think we need to pay teachers for extracurricular activity, but we need to provide time for a teacher, or a couple of teachers, to supervise and organize that activity. I wouldn't pay for extracurricular activity.

Mr O'Toole: Six out of eight is what they teach today.

Mr Greco: As to where all the money goes, as I say, I'm not the expert. I suppose if we had—

Mr O'Toole: You're the principal.

Mr Greco: Right, but I don't control the \$7 million.

Mr O'Toole: Do you teach?

Mr Greco: I control maybe \$200,000 of that \$7 million. That's what comes to me to manage, and we do our best within that.

Mr Brown: I appreciated it when you mentioned Hornepayne, Chapleau, Wawa, Blind River and Elliot Lake, because those schools are within my constituency. I was actually in the high schools in Chapleau, Hornepayne and Wawa just in the past five or six weeks.

One of the things the members might want to know is that in the Algoma school district, if you take the city of the Soo out of it, we probably have more moose and bear than we have kids. The Queen owns most of Algoma. One of the challenges, then, is to find the critical mass that the government's formulae are supposed to accommodate.

1240

Therefore, we get into some difficulties as to the urban area of Sault Ste Marie and the challenges of the district. As the waterhole shrinks, I think we're going to see more competition between the two areas, when there has been great co-operation between them over the years, particularly in places like Chapleau and Hornepayne as they try to get resources.

Are you finding that your professionals, your school teachers, are relating more to the district than they were before? I guess that's what I'm trying to get at.

Mr Greco: I think they are. The board has made every effort to deal with our issues as a board and they've been very conscientious about incorporating a holistic approach. So when I say "sharing textbooks," I mean that; I just sent a box of textbooks up to Wawa this morning. We're working together. We don't want to be in a situation where we're saying, "We should have more because you're robbing us. I have bigger classes because you have small ones." Those things happen, but that's part of what we hope will be addressed by the government's budgets.

The Chair: Thank you very much. Third party; Mr Martin.

Mr Martin: Thanks very much for coming this morning and sharing with us some of the challenges you're confronting every day.

As you know, one of the issues in the media these days is that some school boards in southern Ontario are starting to charge for certain courses and for resources for students. I'm interested in your view of that and perhaps some understanding of how close we are in this area to having to do that as opposed to wanting to do it.

Mr Greco: I really don't know how close we are, because it's something we've tried to avoid. I can say that we're not able to deliver all the program we'd like. We find that there are students who need to take correspondence courses. We're probably at the stage where we would be expecting students, if not to pay for them, at least to put a down payment toward them, refundable upon their success, because of the costs and the low success rate with correspondence courses.

We have not considered those kinds of service charges as yet. We do have student fees, uniform fees. They will pay for workbooks. For example, grade 10 applied science has a workbook associated with it. They'll pay \$10 for that book, which is consumable.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

Mr Greco: Thank you.

SAULT STE MARIE CHAMBER OF COMMERCE

The Chair: Our next presentation is from the Sault Ste Marie Chamber of Commerce. I would ask the presenter to please come forward and state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Mr Ben Pascuzzi: Good afternoon, everyone. Thank you for giving us the opportunity to present to you today. My name is Ben Pascuzzi. I am the first vice-president of the Sault Ste Marie Chamber of Commerce.

Our presentation is divided into two parts. The first part, as I'm sure you've heard from so many groups this morning, is spending priorities: where should the government be spending its money? I wasn't here for all of the morning presentations, but what I have heard so far hasn't spoken too much to the other side of the equation, and that is the revenue side and taxation.

There are so many things you could talk about in terms of government spending that what I thought I'd do today for you is to highlight three major areas where we see the government can play an effective role, yet a role that is cost-efficient and in keeping with the general philosophy of the Sault Ste Marie Chamber of Commerce, as well as the Ontario chamber.

Before I get into that, I wanted to pass this message along from our board of directors, that we feel the government has done a number of things that are on the right track. I think it's been long shown—and businesses have realized it, as well as respective chambers of commerce—that direct subsidies to business, or corporate welfare as the name is sometimes given, don't work, don't create jobs and don't have a long-term sustainable effect. However, investments in infrastructure, hard infrastructure as well as social infrastructure, do have a positive effect. Just for the benefit, maybe, of some of the committee members who aren't from the north, because obviously there are some here, I'll mention some of the things the government has done that we feel are positive.

The northern Ontario heritage fund over the last five years has injected \$20 million into the north, which has allowed municipalities and other groups to leverage close to \$45 million. There's been over \$48 million invested in the Sault Ste Marie area in highway improvements since 1996. Just as an aside, as someone who personally travels from here to Wawa as part of my law practice, I can say that the roadway is substantially better than it was five years ago. We'd still like to see it improved some more, but it certainly has improved from what it was.

On post-secondary education, it's our understanding that the province has earmarked \$4 million from SuperBuild enhancement initiatives. Sault College has received over \$3 million and Algoma University close to

\$700,000; I'm sure you'll hear comments from their respective presidents this afternoon.

Of course, one of the major announcements, that we think is absolutely critical for developing business opportunities in Sault Ste Marie, is the funding for a new, state-of-the-art hospital in this community. Even with clients of mine, business people who have moved here, one of the very first things I get asked as a lawyer, sometimes even before, "What are the property taxes?" is, "What are the schools like up there?" and, "What are the health facilities like?" I get asked that by business people all the time. So those types of investments are important and have long-term benefit in terms of economic development, which hopefully leads to increased revenue for the government.

Along that philosophy then, there are some areas that we think the government could continue to work on and to improve upon in the area of infrastructure. I don't know if the committee flew up here or drove, but if you did drive from Toronto up this way—no?—you'll understand that the highway between Sault Ste Marie and Sudbury isn't the best at times, and one of the key things we fought for for a long time is the four-laning of the highway. We'd love to see it four-laned all the way from Sault Ste Marie to Toronto, but I guess we have to work in small portions. There's two aspects to that. There's obviously the economic development impact: businesses want to know that they can get their product from their place of manufacture to the destination. And there's a safety aspect. Unfortunately, we too often hear stories of people being injured or killed on our highways, and part of that could be solved, hopefully, by four-laning, passing lanes and that type of thing. There has been some government funding announced for four-laning the highway. It's a slow process. We understand it's going to take till close to 2008 to four-lane a roughly 34- or 35-kilometre stretch, and we hope the government can find the means to fast-track that and as well to expand upon it.

When you look at the location of Sault Ste Marie, we're just across the border from Sault Ste Marie, Michigan, which is one end of Interstate 75, which travels all the way down to Florida. We think that by having a good, accessible, four-lane highway freely from both directions from Sault Ste Marie, but dealing with east now to Toronto, that will allow us to sell ourselves as a community, particularly as a business community, to move goods from southern Ontario through Sault Ste Marie to Toronto.

Somebody made an interesting point to me the other day, that they were able to get from Sault Ste Marie down to Detroit quicker than they could from Toronto to Detroit, even though the distance—I don't know it in kilometres, but I know in travelling it should be about an hour to two hours less time. The reason of course is the gridlock in southern Ontario. We say to the government that if you want to solve gridlock, don't worry about investing more and more in highways in southern Ontario; build them here and we'd be happy to have some of those businesses come north. Part of the problem

that's happened since the mid-1990s is that while southern Ontario has enjoyed sustained economic activity and growth, the north really hasn't had the same opportunities and hasn't shared in that growth as much as we'd like to see. We think that infrastructure along those lines is very important.

The next area that I want to touch on—and I'm sure some of these areas are going to be duplicated by other presenters—is the doctor shortage. Moving away from hard infrastructure, social infrastructure as well is very important. While we know that there is a general shortage of numerous medical specialists throughout the province—throughout the country, really—in the north it's particularly acute, in particular Sault Ste Marie. I know right now in my own family situation there's a family member who is having to travel to Sudbury to see a neurologist. Thankfully our family has the means and the ability to make the arrangements and do the travel, but obviously it would be preferable if that person could get that medical care here.

1250

There are some things in particular that are of concern. Just to give you a better sense, we're underserved in a number of medical areas. Some of this medical terminology is difficult to say but includes such things as family medicine, dermatology, emergency service, oncology, radiology etc. A shortage of anaesthesiologists is forcing the cancellation of surgeries as well. We hope the government can find creative ways in its budget to work with the Ministry of Health as well as the College of Physicians and Surgeons to encourage more medical graduate students to move to the north.

One of the things that is positive that the government has done along those lines is to announce the funding for the northern medical school. The other thing on that issue is that we understand from speaking to physicians—and some are members of our chamber of commerce—that the Ministry of Health does not allow the means of doing business in the north—or makes it more difficult, because of the billing process—and has not agreed to a new system.

Another issue is foreign-trained physicians. We hope the government, again, can find ways—some of this may be budgetary and some of it may be strictly regulatory and licensing—if there are available physicians who are perhaps trained in other jurisdictions, that things be done to facilitate their licensing here in Ontario and hopefully encourage some of them to come up to the north.

The Ministry of Health and Long-Term Care and the Ministry of Northern Development and Mines make financial resources available in the form of community grants to enhance existing recruitment and retention strategies. Here in the Soo we've tried to take a community approach to attracting medical practitioners. The chamber of commerce has come up with what we call a doctor recruitment package, where a number of our businesses have provided financial incentives and basically things to make doctors feel like they're welcome in a community and help them set up a practice.

We're working with the city and the Sault Area Hospitals board of directors on that. Certainly any money that could be made available for those recruitment efforts is money well spent. We're not talking about handing a cheque over to an individual doctor; we're talking about putting resources into the community that will allow the community to attract health care professionals.

The last major area of spending that I wanted to mention to you is tied into one of the biggest sectors, of course, of our economy here in the north: the tourism sector. In particular, snowmobiling—though you wouldn't know it by some of the weather we've had this winter—is responsible for a significant contribution to the economy locally. Again, just to give you some idea of the picture, total direct expenditures resulting from the use of Sault Ste Marie route 3 amounted to an estimated \$7 million in the 2000-01 season. Using the Ministry of Economic Development and Trade and the Ministry of Tourism's 2.6 income-multiplier factor increases the total to \$13 million, which would be the ripple effect.

So snowmobiling certainly has a positive economic effect in our community. However, the snowmobiling industry is facing some challenges. There is a trail network in Ontario of 49,000 kilometres. The average cost of trail maintenance is \$430 per kilometre. Many of the trails are maintained locally by club volunteers, and financial and personal resources are stretched to a maximum. The more funds we have available for marketing and traffic to entice people onto the trails, the better off we'd be. We're looking at it from the perspective of infrastructure. Similar to highways, if you have properly maintained, safe and accessible snowmobile trails through the north, that's going to provide economic benefit and hopefully increase tourism as well as sustain what's already in place.

Again, it's not always easy to say what the solution is, and it's not just a question of cutting a cheque to group A or group B, but it is a question of resources and finding a way, through perhaps the northern Ontario heritage fund or other initiatives, to try to improve and continue to develop snowmobile trails in the north. It may not be a big thing in Toronto, but it certainly has a positive effect here.

Those are just three areas I wanted to touch on on the revenue side. In all of them, I hope I've left you with the impression that we're approaching it from an infrastructure perspective.

On the revenue side, I didn't want to regurgitate too much what the Ontario Chamber of Commerce has presented or will present to you in their presentations. I wanted to re-emphasize from the position the Ontario chamber has taken that we applaud the government for its efforts to find ways to lower taxation generally, in particular taxes that affect business. There are other areas that the Ontario chamber has identified that can be improved in the future, such things as corporate capital taxes, business property taxes, land transfer tax and corporate minimum tax. It isn't a question of simply lowering the tax; it's often a question of how the tax is

administered, the burden it places on business in terms of regulatory requirements as well as filings.

Along those lines, our chamber here has made presentations to the red tape reduction commission when it has been in town. Again, putting on my hat as a solicitor who practises primarily in the area of business law, there have been some positive things done to streamline red tape, but certainly there can be more, and it may require in some cases some budgetary expenditures on behalf of the government to do that. But certainly continuing along that path is very important, because we already face a number of challenges here in northern Ontario. Anything that can be done to reduce the challenges that businesses face is certainly positive.

I think I'll close my comments there, Mr Chair. If there's time for any questions, I'd be happy to field them.

The Chair: Thank you very much. We have approximately two minutes per caucus, and I'll start with the official opposition.

Mr Kwinter: Thank you very much for your presentation. How do you reconcile a problem that is obviously going to be something we're going to have to deal with, in the sense that on the one hand you talk about various spending initiatives to increase infrastructure, to do all these things, and on the other hand you talk about revenue, you want to cut back on the revenues? We've heard from the Treasurer. We understand there's going to be a shortfall this year of somewhere between \$3 billion and \$5 billion. There are going to be additional pressures on health, education and welfare. There are going to have to be cuts somewhere. What would be your recommendation as to how to deal with this? We have legislation in place that we can't run a deficit. One of the candidates in the leadership race has come right out and said it's ridiculous to suggest that this can be done. Somewhere along the line, something is going to have to go. What would be the chamber's recommendation as to what to do about it?

Mr Pascuzzi: I'll answer that question in three parts. The first part is that with any infrastructure initiative, we understand that it's long-term. Obviously, we'd love to see more money in the immediate budget for some of these initiatives, but we understand that, given the current fiscal situation in the province, a lot of things may not happen as quickly as we would like, the business community and the community generally. What I've highlighted are long-term goals. We certainly don't want the government to ignore its immediate fiscal priorities.

The second part, to answer your question, is that, as with anything, when you look at the government and you look at the amount of revenue it brings in, it's not just a question of amount of revenue, it's revenue allocation. The government has to take a good, hard look at where it spends its money. The Ontario government has a huge, huge budget, far bigger than any private corporation that I'm aware of in the province. It's a question of where those spending priorities go.

The general message on top of the particular examples is that it's where you spend the money and that one of the

key areas is infrastructure. Of course there are other demands upon government for other infrastructures, some of which the committee has heard this morning.

1300

We know that's a difficult position. I guess all I can say to answer without pulling it out of the wind, because I admit I don't have all of the figures on where government spends its money, is that certainly it seems every year, even when you look at the Provincial Auditor's report, there's a lot of money that's spent, sometimes questionably in terms of where it's spent, so I think there are some funds available. Again, I appreciate your comments and I think that economic circumstances may warrant that some of these things may be more long-term.

The final part of my answer is that I think we've seen over the past five years that when you lessen regulation and you lower tax rates it doesn't necessarily mean less revenue. In fact, it can mean more revenue to the government because it leads to more economic activity. It's a question of getting through the short-term period of budgetary constraint and then, down the road, government looking at these priorities.

Mr Christopherson: Thank you for your presentation. You said during your presentation—I wrote it down when you said it—that social infrastructure is very important. You said that among other things, but that was one of the things you said. Then you also, of course, endorsed the tax cuts that have happened and, if I understood correctly, urged the government to do more in certain areas.

The question I have for you is, how do we deal with the fact that the government went ahead and imposed all these tax cuts? We had an economic boom driven by the US economy, and in key areas that previous Sooiets touched on this morning things have gotten worse.

We had a mom in here talking about her son who is autistic and the challenges faced there, and the fact that there was a lack of programs at the end of the day. We heard about seniors who don't have enough money to get hearing aids, to get glasses, to get their dental work done. We heard about disabled individuals in this community who don't have enough money to survive, and that there are abused women who are going back into abusive situations because the programs that would normally support them are gone. These things have all been cut to pay for the tax cuts. Lastly, we heard from a principal and teacher who talked about the deteriorating situation in our education system.

What I fail to understand is how we can afford to move forward with tax cuts when during the last economic boom, all these key human issues, quality-of-life issues, deteriorated. They can only deteriorate further in a poor economic condition, but even more so if we're going into tax cuts.

So the argument is that—and this is what I normally get back—if you go with the tax cuts it creates a better economy and then, as I mentioned earlier on, the tide rises and all boats rise on the tide. But the problem is that

the areas that have been mentioned this morning by your neighbours are areas that did not rise during an economic boom. How do we square that when we try to include all the people in the community of Sault Ste Marie?

Mr Pascuzzi: Again, I'm not going to speak to the particular presentations earlier, because I didn't hear them and I'm not familiar with those circumstances and those cases. From what you're telling me, it's a question of where the government is spending money. If I hear you correctly, perhaps there are some areas where you're saying the government should have put money into and it didn't. Maybe it cut it back and that was a mistake. I'm not going to speak—

Mr Christopherson: If I can, sir, I'm saying specifically that the tax cuts that you came in and lauded caused these things to be cut. There's the money. If you want to say, "Where is the money to be spent?" it's in the tax cuts.

Mr Pascuzzi: I would have to respectfully disagree that the tax cuts have led to those cuts, and I don't want to comment on prior presenters, but I take the position, similar to what one of the other members raised, that there are large pools of money and it is a question of, how is it allocated? I am not saying that the government gets that allocation right in every case, or even in most of the cases. The government can speak for itself.

Mr Christopherson: Sir, they cut the income of the poor by 22%. I'll bet that didn't happen with your clients.

The Chair: I have to go to the government side; we've run out of time. Sorry that I have to interrupt you before he answers.

Mr Hardeman: Thank you very much for your presentation. Again, I want to vehemently disagree with Mr Christopherson: there's absolutely no evidence and no one has brought anything forward to suggest that the tax cut created the problems that we've heard about this morning. What we heard about this morning was a great need for further programming for people who are running into difficulties, particularly not programs that have ever been there but programs that are needed today to further the benefits to the vulnerable in our society. I totally agree with those presentations.

The issue of tax cuts creating jobs and creating a better economy I think is evident. In fact, our economy has done better than any of the surrounding economies that didn't do the reduction in taxation. So I totally agree with your presentation, that we need to look at doing more of that to make sure we have an economy that can support all the services that create the best living environment in the world here in Ontario.

I don't know where they're coming off suggesting that we could go back to the way former governments spent money they didn't have and created the need to take 10% of our revenues today to pay the interest on the debt that was created by those same governments that were going to be all things to all people and ended up being nothing to anyone. I think that's why we don't have the ability to increase the type of programs we need for our people. It's not because we have put tax cuts in place the last six

years; it's because former governments spent money they didn't have and we now are paying for that. If we keep doing that, we will have our children paying for what we are consuming and weren't willing to pay for.

So I want to commend you for your presentation and suggesting from your perspective that reducing the burden and creating an environment for business to invest here will create more jobs and provide the ability for people to support themselves. I just want to thank you very much. I don't have a question for you. I want to thank you very much for your presentation.

Mr Pascuzzi: Mr Chair, if I can slip in just two comments, I don't want to give the appearance that I'm insensitive to the members' comments because I think part of the problem is that it's true that in the north we have not benefited to the extent that southern Ontario has from those tax cuts. We haven't generated the economic revenue, the city hasn't earned the property and commercial taxes that it should have earned that could be used toward programming, considering especially that many of those social services are now provided by the local municipality. So there has been some breakage there.

The other thing is again to emphasize what I said earlier: it may very well be that at this moment in time further tax cuts or cuts to tax rates are not possible, and that's fine. But there are some things that the government can do very simply. Just as one quick example, the Ontario Chamber of Commerce is talking about making changes to the land transfer tax. I'm quite familiar, as a real estate lawyer, with how it works. Essentially when the same corporation or the same owner of a corporation transfers his property from one company to the other it creates a tax burden. That makes effective business development sometimes difficult. It can be a revenue-neutral situation that you can do to improve taxes.

So it very well may be that at this time tax rates can't be cut. But my only point is that, heading down on the long road, we think that there is ability for government to make targeted investments and targeted specific infrastructure. But certainly we have unique problems here and that's very much the case.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

The committee will recess until 2:30 this afternoon.

The committee recessed from 1309 to 1430.

The Chair: If I could get your attention, I'd like to bring the standing committee on finance and economic affairs back to order as it is 2:30. We have one piece of business before we proceed to the agenda. I would like to inform all the members and the staff that taxis will be leaving at 5:30 sharp this afternoon.

SAULT/ALGOMA ODA COMMITTEE

The Chair: Our first presentation this afternoon is from the Sault Ste Marie/Algoma Ontarians with Disabilities Act Committee. I would ask the presenter or pre-

senters to please come forward and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Ms Dorothy Macnaughton: My name is Dorothy Macnaughton and I'm presenting on behalf of the Sault/Algoma Ontarians with Disabilities Act Committee. To the members of this finance and economic affairs committee, thank you for letting us be here to present this to you and thank you for coming to Sault Ste Marie.

I'd like to take some items from the printed material you have, but because of the limited time, I don't want to spend a lot of time going into that in detail, so hopefully there will be time for questions.

This presentation will give you concrete examples of the needs of real people who have disabilities, with real problems in real-life situations. We want you to know how improved funding will make our lives better and go a long way toward increasing our independence and productivity.

In our group there are approximately 60 members, and I'd like to introduce the ones who have come to provide support today. We have Hedi Kment, Clare Walker, Larry Knapp and his wife, Rhea Knapp, Sylvia Mosher, John Fedorchuk, Cornelia Bryant, Gerhard Nehr—let's see; I don't want to forget anybody—George McVittie, and Judith Molinaro. I think I got everybody.

One of the strengths of our committee and one of the reasons we feel compelled to be here today is that we represent a lot of people with different disabilities; we're not just one disability. I feel the issues we're going to be raising today apply to people with disabilities all across this province.

We ask that you seriously consider funding and improving government programs which fail even to serve the purpose for which they were created and which actually create barriers for persons with disabilities. In the Ontarians with Disabilities Act, "barrier" is defined as anything that prevents a person with a disability from fully participating in all aspects of society because of his or her disability, including an attitudinal barrier, a technological barrier, a policy or a practice.

The programs we're highlighting help those with disabilities to a certain extent, but they just don't go far enough. The cost of living and the cost of adaptive equipment are greater than the maximum amounts presently being allocated. More money needs to be allocated to these programs so that people qualifying for them will be able to live more independently.

One of the programs we're going to be dealing with is the ODSP. You heard about this this morning, the Ontario disability support program, and it does fall abysmally short of the mark. People on this program live far below the low-income cut-off as defined by Statistics Canada and thus cannot afford even the basic essentials. A single person in a city of our size on ODSP may receive—doesn't necessarily—a maximum of \$930 a month. The low-income cut-off is \$15,648 a year. That low-income cut-off is what used to be referred to as the poverty line.

A person has nothing to fall back on if ordinary living expenses are greater than expected or if a financial crisis arises. The most typical ones we mention are rent increases and, of course, when living in the north, heating costs during the winter.

I did include for your information that Statistics Canada information about low income cut-offs, and I also included another document that talks about the number of people in Ontario with disabilities who are classified as poor. That's according to the Canadian Council on Social Development. Just so you don't have to flip to that, the statistic is that 27% of people on disabilities are actually classified as poor.

We also will go on to talk about the assistive devices program, which you heard a little bit about this morning, and the Ontario student assistance program. We'll go to page 4 and deal with each of these, and I'll try not to take too much time.

The ODSP, in its present form, has been in place since 1997. There were other similar programs before that. The government does, through this, provide financial support for persons with disabilities. The way it's set up, it's divided into two separate sections. They're designed to provide "income and employment supports to eligible persons with disabilities." In the act, it states that it is designed to "effectively serve persons with disabilities who need assistance." We feel it's not effective, that that word is not being applied, and part of the problem is funding. The income support part of ODSP is designed to provide people with what they need in the way of basic needs, shelter, costs related to a person's disability and other prescribed needs, and includes benefits. By the time a person pays for their rent, some food costs, transportation, health-related costs, equipment and/or maintenance costs, they're often out of money before the next cheque arrives. This isn't because they can't manage their money; it's because the ODSP payment is just not enough to live on, and you heard reference to that this morning. The situation is getting worse. ODSP payments haven't kept up with the cost of living, and as we know, everything is more expensive.

There is a list of expenses that they will cover. Many expenses that they don't cover are necessities. We've outlined a few examples; I'll just touch on a few. For example, the program covers the cost of lenses for glasses, but not the frames. Someone could therefore be able to get the lenses but not have enough money to afford the frames. Does this make any sense? Why not cover both? What happens if the frames break? I mean, that's not necessarily due to carelessness. We provide some other examples. Necessary supplies for diabetics, such as insulin and syringes, are covered under Ontario drug benefits. However, needles aren't covered, and they can add up to an average of \$240 a year, or even more. None of the other provincial programs cover needles unless the person is 65 or over. Wouldn't it make sense for needles to be covered by ODSP along with the other diabetic supplies? I mentioned this in Sudbury: why can

drug addicts get free needles through a needle exchange program yet diabetics must pay for their own?

You heard from the Sault Community Assistance Trust program this morning, and you heard that people on ODSP are accessing those funds. They have very little recourse.

The second part of ODSP is employment supports. That's defined as "the prescribed goods or services provided to a person in order to remove barriers to the person's competitive employment and assist the person in attaining his or her competitive employment goal." Basically, that program provides opportunities for people who are disabled to find work, to receive training for work and then once they're hired, they can make a maximum of \$160 per month over and above their standard ODSP payment. Above that, a percentage is clawed back. As a result, many end up being penalized if they work too many hours. The government needs to make certain that a person on ODSP employment supports also makes a total income at least equal to the low-income cut-off. I don't know if I mentioned this before, but we'd like to request that the government provide enough funding for everyone on ODSP, whether it's the income support part or the employment support, to bring them up to what Statistics Canada defines as the low-income cut-off, because what they're living on now is just not acceptable.

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I'll just mention that in this document we've also outlined improvements to the actual program that we feel need to be made. We feel it's not just a matter of funding. Some of the situations that arise are as a result of difficulties with the way the program is set up now.

The first thing we'd like to see is the ODSP payments increased yearly. We talked about that earlier. The bureaucratic red tape really causes a lot of difficulties, and we go on to elaborate on quite a few more of those situations. For example, a person shouldn't be told that their payments are going to be cut off unless there's a justifiable reason, and you certainly don't deliver that news on Christmas Eve when it's the fault of the employer. We outline some other possibilities where we feel the program needs to be improved.

I'll go on to the assistive devices program, which is on page 12. This of course is in large print; it would be smaller if it were in 12-point print. The assistive devices program we feel needs to be changed and improved. We realize people with disabilities in Ontario are extremely fortunate to have this program. It covers up to 75% of costs of specialized equipment—not all—things like wheelchairs or computers with adaptive software. As it stands now, the remaining 25% must be paid by the consumer. In a lot of cases, there are people on ODSP who don't even attempt to get the equipment they need because they know somehow they'll have to find that 25%. Even if it's a service club, they have to go and approach them. We feel that people on ODSP and people on low and fixed incomes should receive 100% funding for necessary equipment.

We also offer some examples. ADP will cover either a manual wheelchair or an electric wheelchair. Some people need both. Just to give you an idea of the costs involved, a wheelchair costs about \$3,500. Someone might have to pay 25% of that. The program doesn't cover batteries for electric wheelchairs at all; they can cost around \$500, and the person with disabilities has to make up that cost. A speech program for blind people costs almost \$2,000, never mind the cost of the computer to go with it. There are quite a few other examples. Drivers with physical disabilities who require testing for their driver's licence—this is on page 15—must cover the cost of a trip to and from Sudbury, plus an additional \$700 for the testing. This isn't covered by ADP.

On to the Ontario student assistance program. Basically, in a nutshell, the OSAP program provides \$7,000 per academic year. We feel that needs to be increased. The maximum amount should be raised to at least \$10,000. That way, if the student requires a more expensive piece of equipment, the funding would be there for the institution to access. We also feel that there are other issues around OSAP, and we've tried to lay them out for you. For example, materials are often late for students who need them right away. They need them on the first day of school, not a considerable length of time down the road. Anyone who starts off on ODSP and decides to go to school loses their medical benefits and drug coverage. That puts them in a terribly difficult situation.

When a student completes their education, if they don't have a job, the repayment plan for the OSAP loans should be adjusted so the payments they have to make to OSAP don't mean they have less in the way of ODSP funding. These programs are often interconnected, and where there are difficulties with one, it needs to be organized in such a way that everything makes sense with all of them.

Finally, we want to just touch a little bit on the issue of employment. We want you to be aware of the financial difficulties people with disabilities face when they try to find employment. I've included more information from the Canadian Council on Social Development that goes into the unemployment rate of people with disabilities. It's a given that it's going to be considerably greater than for the average person who isn't disabled. If you put a lot of money into programs to fund education for people with disabilities or training under, for example, ODSP employment supports, there needs to be more in place for these people in the way of employment when they graduate. There need to be further incentives for employers. There needs to be education of employers as to the abilities of people with disabilities.

I'd like to conclude by saying that if you listen to the voices of the people who live with disabilities on a daily basis and if you take immediate action to put the necessary financial requirements in place, this province can once again, as with the ODA, be a leader in championing the rights of people with disabilities. Thank you.

The Chair: Thank you very much. We have approximately a minute and a half per caucus. I'll start with the NDP.

Mr Martin: Thank you for the excellent work and effort obviously put into the very comprehensive brief we have before us.

You were here this morning listening to the conversation around the table. The government makes the case that if we give tax breaks, that improves the situation financially such that government actually generates more revenue and therefore can provide more services to people. We've had some very good economic times for the last five or six years, up until about six months or so ago, driven by the good US economy, and we've had significant tax breaks. What I want to know from you, representing the people you speak on behalf of today living out there in communities, trying to keep your life together, have you felt any significant improvement in your circumstance over the last five or six years?

Ms Macnaughton: Speaking on behalf of the people in our group, who, as I said, represent a wide variety of disabilities, I think the situation has deteriorated. People have less money to live on and higher expenses. That's the reality. Unless the government does something to improve people's situations—people are in desperate situations. I don't know what some people are going to do. I really shudder to think. They have very little recourse.

Mr Martin: So the formula doesn't work.

The Chair: Thank you very much, Mr Martin. The government side.

Mr O'Toole: Thank you very much for a very detailed presentation. I have looked through the couple of indexes you've provided. Thank you for that research. I do recall the great effort you made, during Bill 125, to appear in Sudbury. I suppose many of the people here recognize that you were there as well. I know how difficult that was, to get to Sudbury, but I'm pleased we're in Sault Ste Marie today, at least for your particular group to be able to attend.

There's one thing in here that we do hear in the constituency office, certainly in my riding. It's the assistive devices program administratively, especially for people with permanent lifetime disabilities. I'm sure you work with this. Do you have any idea what the cost would be if, at some income level—let's say it's the LICO number—the people with those kinds of incomes would not have to pay that additional 25%? Have you any idea, ballpark?

Ms Macnaughton: You see, the way ADP is set up right now, income doesn't enter into it.

Mr O'Toole: I know, but I'm suggesting that if you were to qualify for that additional 25% to be covered—

Ms Macnaughton: Oh, I see what you're saying.

Mr O'Toole: —to add those groups, do you have any idea what that number would be for people on ODA?

Ms Macnaughton: People on ODSP.

Mr O'Toole: Yes.

Ms Macnaughton: I honestly don't know. I don't think you're talking huge numbers. I don't think you're

even necessarily talking huge numbers who access ADP for really expensive equipment. There are lots of people who access ADP for smaller items, like a white cane, for example, that costs maybe \$20 or something like that. Out of the million and a half people in Ontario with disabilities, I don't think you're talking huge numbers of people or a huge amount of money for the larger items like wheelchairs and speech programs and computer equipment and things like that for that extra 25%. I don't think it would be a huge amount of money.

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The Chair: The official opposition.

Mr Brown: I know of the good work of your committee. I want to thank you for coming out to see Steve Peters when he was here a couple of years ago and working with Ernie Parsons.

I represent the district. Tony does a fine job in Sault Ste Marie but I represent out in the district. One of the challenges for my particular constituents is the distance involved, being in Hornepayne, for example, and having to access the particular services of the government. As a constituency politician I have the difficulty with the ODSP and all those sorts of things that I think anyone would, but obviously services in the smaller communities are even more difficult than they are in Sault Ste Marie.

I wonder if your group has been thinking about the transportation needs. After all, Hornepayne is actually farther away from Sudbury than from Sault Ste Marie. To many of my constituents it is a huge challenge coming to a centre even like Sault Ste Marie, which we would see as a big centre, to access services. Have you given any thought to how those folks in the rural north might be able to better access even the programs we have today?

Ms Macnaughton: That's a really good point. We've discussed some of the issues that affect the more rural areas. That's a difficult situation because even agencies that serve people with disabilities run into problems with this because they tend to have the head offices in a larger centre. I don't know whether you could have a satellite office. You even run into problems with 1-800 numbers. I don't know what the solution is there, but I do know from personal experience with CNIB clients in the district that they get very frustrated feeling that they are not being served the same as people in larger centres. So it is a real issue. I don't know, but I think the government should find ways of addressing it.

I think one of the best ways is to get the consumers involved. This is what I think they did right about the ODA. They have actual disabled people involved in the whole process, from the top level right down to the municipal level, and this is what's needed. I think you will have some really interesting and creative solutions come about when you involve the stakeholders.

The Chair: Ms Macnaughton, on behalf of the committee, thank you very much for your presentation this afternoon.

GROUP HEALTH CENTRE

The Chair: Our next presentation is from the Sault Ste Marie and district Group Health Association, the Group Health Centre. I would ask the presenter to come forward. If you could state your name for the record, please. On behalf of the committee, welcome.

Mr David Murray: My name is Dave Murray. I am the CEO for the Group Health Association at the Group Health Centre. I have a short prepared text to go through and then I'll be available for questions.

Thank you, Mr Chairman and members of the committee, for allowing me the opportunity to speak today.

In my remarks I want to cover three keys areas. First, I want to share with you some of the work that we do at the Group Health Centre. Second, I would like to engage your support for our model of care and, lastly, in the upcoming provincial budget, I'd like you to consider committing greater resources to primary health care.

The Group Health Centre is a facility that has operated in Sault Ste Marie for almost 40 years. Our focus is on the provision of multi-disciplined health care, research, health promotion and wellness education to over 50,000 rostered patients. Our goals are to keep our patients healthy by detecting illness sooner and decreasing reliance on hospitals.

We believe that the Group Health Centre stands apart from the traditional Canadian health care delivery models. In the traditional system, various providers are often pitted one against the other for scarce resources. In our model, we work together very collaboratively with physicians to determine what services will be provided and how they will be provided. We tailor our services to meet the needs of our patients, and through our economies of scale, we can provide efficient, cost-effective health care that achieves better health outcomes.

The Group Health Centre is the health care program of two organizations. One is the Sault Ste Marie and District Group Health Association, which is governed by a community board of directors, and the Algoma District Medical Group, an independent group of physicians. It is the uniqueness of this partnership arrangement that sets us apart from other health care facilities and delivery models. This partnership is important because it defines why we believe we are at the forefront of a new way of delivering health care to Ontarians, although we've been around for 40 years. We're not the only ones who feel this way.

You have my speaking notes, I guess, so I don't have to actually read it; I'll hit upon the points as we go through.

Last spring, last May, Commissioner Romanow made one of his very first stops at the Group Health Centre. We're one of only 14 sites that he visited. He was very impressed by a lot of the things that we do, especially our comprehensive model. He noted that some of the work we're doing on outcomes—I'll explain that in a little bit—is certainly some of the leading-edge work that is

happening in primary care in North America. We also have chronic disease management programs and significant infrastructure in our IT area. He called us the best-kept secret in health care that there is, and that's something which we've traded on quite heavily since he used it last May.

Last summer the Honourable Tony Clement visited GHC and he expressed that our model was worth proliferating. He recognized the unique offering for patients and how services we provide in this environment translate into long-term benefits, not just for patients but for physicians and for our community as well.

We are efficient and we produce positive, provable outcomes, something which is not often looked at in health care. We are proud to be the first primary care organization in all of Canada that can make this claim.

The jewel in our crown, however, is our electronic medical record system, the largest implementation of EMR in primary care in Canada. It is the cornerstone of every procedure, episode of care and intervention at our facility. Since 1998, all of our health records have been computerized using this EMR system. This saves thousands of dollars in paper, space and other related costs. It also provides for better medical records in that they're more up to date, they're more timely and they're more accurate. We've been able to redirect the savings that we did realize into additional front-line care. Every one of our over 60 physicians uses the EMR.

Our evidence shows that since we implemented EMR, we have more accountability, efficiency and an increase in physician-to-patient time. The bottom line: EMR helps us serve patients better.

We believe that EMR is the key tool to improving health outcomes for patients. It drives our programs, it links our physicians to their patients like never before, and it saves time and money.

I'll give you one example on the following page. It's the idea of the way in which health care is shifting from its focus on acute interventions that we were used to in the past to the idea of chronic disease management. As the boomers get older, chronic diseases set in. That's going to be the major challenge. How do we keep people healthy while they still are suffering from these chronic diseases? One of the biggest is diabetes. It impacts a lot of Canadians. We know there are 2,281 people on our roster who have diabetes. We have, at our own expense, developed a template that fits on to our EMR that identifies those diabetic patients and makes sure that the care we provide to them is well coordinated and monitored. This means that we end up with better outcomes for our diabetics than any other organization in Canada, something we're very proud of.

The benefit is not just monetary. These people do then get to lead a better quality of life. Also, we manage to hold off some of the downsides of diabetes, such as amputations, shorter life, dialysis etc. As I point out, one year of dialysis will pay for a lifetime of diabetic management. You can see that if we do things a little dif-

ferently, there are ways of saving money and redirecting those funds.

To help you formulate your opinion, I would like to take some time to provide the committee with a brief history of the Group Health Centre.

In 1962, John Hastings, a medical professor at the University of Toronto, spoke at the groundbreaking of the GHC. He said, "This century has been one of scientific and technological advance. In no field has its impact been greater than that of health...."

"Somehow," he said, "the GP and the specialist need to be brought together in a co-operative group, which preserves the intimacy and the interest in people. For the patient, this group practice means that care is available all the time, including specialists, when required." That was 40 years ago and it's something which still drives us today.

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In the recent public survey on health that your government undertook, the findings from more than 400,000 respondents spoke volumes about what they wanted to see in their health care system. They want improved access to services and they want greater relationships with a team approach to health care.

Let me provide you with a further example of how we do things differently, with benefits to patients and funders alike. In partnership with the Sault Area Hospitals, we instituted a congestive heart failure patient protocol. Congestive heart failure is the number one cause of admission to hospital in Ontario. On average, a significant percentage of these patients—usually around 30%—will end up having to be readmitted within 30 days. Because of their condition, they're often lengthy stays, averaging 11 days per stay, and may require some time in the ICU.

The protocol that was developed between the Group Health Centre and the Sault Area Hospitals worked with the CHF patients and another team of health professionals, including pharmacists, nurses and dietitians. They helped the patients and their families sort out the drugs that these CHF patients were on—they're often on several different drugs—and helped to educate them and their families about the importance of controlling their diets and monitoring their weight to see whether or not there was water retention, which is one of the signals that CHF patients are getting into trouble.

The education is followed up by home visits by our visiting nurses. This monitoring program is much like a maintenance program. The results: the readmission rate for this key group has dropped by 70%, and it's been held at that lower level for 18 months, while our costs for this program are minimal because it's using resources we already have in the system; it's a case of how we organize those resources. The savings have been significant. We've saved, just with our own rostered population, approximately \$350,000 in hospitalization costs, not to mention the fact the patients are enjoying a better quality of life.

You'll see some newspaper articles on this and in the Medical Post article in the package of information you've got.

If you were to use this same protocol across all of Ontario and get similar savings, you'd save about \$100 million. And that's with very little new money having to be spent.

We believe that the model we have can work for others in Ontario and ultimately throughout Canada. Our enhanced primary care model emphasizes the front end of the health care system—health promotion and illness prevention—rather than the back end: ERs and hospital visits. This is crucial for sustaining an efficient and effective health care system for all of us.

With health care costs soaring, there is a need to explore alternative funding and health care delivery models. This is our appeal today.

We are well aware of the efforts of government to date on this approach to creating a sustainable model. The family health networks represent a significant commitment by the government to moving toward a reformed primary health care system in this province. We are supportive of this development but modestly offer that our model goes a step further and represents an exceptional opportunity to simultaneously meet the needs of providers and community members in a comprehensive system of care that is cost-effective for the Ministry of Health.

We encourage you to continue to work to find viable solutions that may in fact be outside the box. New approaches to health care like our enhanced primary care model can coexist with the government's priority list.

Further, we urge you to continue to deliver on your funding promises to organizations like ours and continue to fund them appropriately. With your help and an open mind to a vision like ours, we will make sure that not just patients in our community but across Ontario will benefit.

In closing, I'd like to offer an invitation to you and your colleagues at the Legislature to come and see the GHC for yourselves. We think it's time to share the best-kept secret. Thank you very much.

The Chair: Thank you very much. We have approximately two minutes per caucus, and I'll start with the government side.

Mr O'Toole: Thank you very much, Mr Murray, for a very comprehensive file on a very successful program. I might say it's not news to any of us here on this side. In fact, I think this government sort of started with the primary care reform, Dr Wendy Graham's model report. I think you've seen that. And you know of the struggles between the various stakeholders—a lot of turf stuff going on here. We don't need to talk about it; we're all aware of the certain sacred cows.

I do commend you on the work, but also the—about three little points. The smart card or the patient record system: how have you dealt with the consent and disclosure issues? That's first. Because that's a current issue on the whole smart streamlining, harmonizing—

The Chair: You only have two minutes, Mr O'Toole.

Mr O'Toole: Yes. With respect to diabetes, there's great evidence that that's going to be just ramping up big time with age and other populations, the kind of diets, I guess. It's about \$200,000 a year, or more, per patient, so it's a huge cost driver. Tell me about your success there, and outcomes.

And the last is the congestive heart failure, the amount of money you're saving, not just on readmissions, but the administration, coordination of drugs, which are another huge cost driver. Perhaps you'd like to respond to those.

Mr Murray: OK. On the first one that you mentioned, the smart systems, the EMR and getting consent, we're in the process of probably rostering our entire population this year. We have been very involved with the development of legislation. We also do research; we have a research ethics board. For anything that we do, we do get consent. All of our patients fill out the consent for any research we do, but we look at the rostering as an opportunity to update our consents for everything we do, because a lot of them go back 20 and 30 years. So timely and informed consent is very important to us.

The second issue that you raised is around the diabetes. It costs Canada \$15 billion a year in diabetes care. There is no comparable data for what we do in Canada, so we compare ourselves to the best HMOs in the States which have obviously a vested interest to keep people healthy because they're paid on a capitation basis. Kaiser Permanente, out of California, which has about 400,000 people with diabetes throughout their network, manages it very aggressively. There's a score. Just to put it roughly, they score about a 71 across 10 different things you track with diabetes. We scored 73 over the last six months, which puts us as high as anybody in North America.

These are outcomes that just by monitoring them and making sure that you're trying to control those things you'll end up with people who are getting better health outcomes.

The last one that you mentioned was—

Mr O'Toole: Congestive heart failure, multiple drugs and how that—

Mr Murray: We have pharmacists, we have people who can deal with that. It's a case of having somebody quarterback it, sit down and make it happen. That's what we can do as a large group practice: we can bring the necessary resources into play, that somebody takes responsibility and sorts those things out.

Mr Brown: Good morning—good afternoon; I'm losing track. I've been at your facility on quite a number of occasions, as have a number of my colleagues. I think we've all been impressed with talking to your staff and with your physicians. But one question I have, and this is not new and shouldn't be seen as a criticism of the government, but you have existed for 40 years; I think the first time I was at your facility was probably 1988. A series of governments has not chosen to use what seems to most of us to be an obvious solution to a problem we're all having. Do you have any thoughts as to what

the impediment is to spreading this kind of good news model?

Mr Murray: I think somebody alluded to the turf issues before. In reference to the Ontario Medical Association, we have included them in our negotiations. We're currently in negotiations with the ministry. We realize that there has to be acceptance of our model. We obviously have 65 physicians who are, like most physicians in Ontario—it's not like we have a special breed of physician here. They liked the model. We have to make sure that we have a buy-in by the Ministry of Health, which in the bureaucracy has been difficult to do: it's not something that they developed, so it's something they at times may not embrace totally. We have to get the buy-in at the political level, and that's in all political parties. So trying to get all those things to happen concurrently has been a challenge.

Mr Martin: I would suggest to any of you who've gotten the package to take a look, when you get a minute, at the magazine that they put out called *Take Care*. You'll see on the front the grouping that Mr Murray has referenced: the Group Health Centre, the Algoma District Medical Group and the minister himself. There's also another group represented there that I think it's important for people to know about, and that's the Steelworkers.

It was the Steelworkers in this town, responding to a need for medical coverage for their members back in the 1960s, who actually developed this unique approach and still continue to be very active in the governance of the organization, and giving major leadership. Tom Bonell, the gentleman identified in the picture, is the present president of Local 2251, the biggest local at Algoma Steel.

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Having said that, I was in the minister's office last week for about an hour talking to his executive assistant about the emergency room difficulty that we're having right now. I also brought up the fact that the Group Health Centre has been trying for quite some time to get an agreement on a contract to continue to deliver not only the service that you now deliver, but to build on that, to provide even more service to our community as we struggle to attract doctors, and we know of the very positive track record of the Group Health Centre on that front.

Maybe you could expand a little bit more for us here so that we might all understand and perhaps, as we meet with people like the executive assistant to the minister, we might be able to make your case. Why is it the executive assistant was actually surprised that you didn't have an agreement? The minister was so impressed with the centre, indicating that it is where they want to go, and yet we can't get an agreement on funding. Why is that?

Mr Murray: There's a considerable investment of the bureaucracy's time and energy in the current family health network scheme, and that program is taking up a lot of their time and effort, so we once again get relegated to the back burner. It's only when we get into a true financial crisis that they notice us. As an example,

the last time we met with them to negotiate was December 6. They've given a commitment that we will have a signed agreement by March 31, but when you only meet once every three months, it's going to be very difficult to achieve that. We've been without a contract for two years.

It is of concern to the board that our model is really a risk of perhaps disappearing in the next six to 12 months without some firm direction from the ministry. It concerns us that there doesn't seem to be a willingness to accept other models that are available right now. I heard somebody mention the Ontario Medical Association. They see primary care as the domain of the family physician. Certainly the family physician will always play the most important role in the delivery of primary care in Ontario, but we think there's a real role for communities to play in the governance of primary care. We think we bring a model that allows the community to have some say in how primary care is delivered but makes sure that physicians get to retain their autonomy and their professional independence. We think we're a natural mix for those two, but unfortunately the ministry at this point in time doesn't seem to see a need to have that community governance aspect; it really did come about by accident. The Steelworkers started it 40 years ago. They built the building we're in. We don't qualify for capital money. All the capital money—and it has been over \$15 million over the last 40 years—comes from the community, not from the Ministry of Health. So it's just a different philosophy. We hope eventually the ministry understands the need to have public governance involved in primary care.

The Chair: With that, we've run out of time. Mr Murray, on behalf of the committee, thank you very much for your presentation this afternoon.

ALGOMA UNIVERSITY COLLEGE

The Chair: Our next presentation is from Algoma University College. I would ask the presenters to please come forward, and if you could state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Mr Bud Wildman: Thank you very much, Mr Chair. For those of you who don't know me, my name is Wildman. This is a bit of a busman's holiday for me, I guess. I do appreciate the opportunity to have myself and Dr Ross make a presentation to you about Algoma University College. I want to, on behalf of the university, welcome you all to the Soo and thank you for the opportunity. I'll just make a couple of very brief comments and then I'll turn it over to Dr Ross for the main presentation.

Algoma University College is an affiliate college of Laurentian University in Sudbury. We are one of the smallest post-secondary institutions in the province. Our current enrolment is 665 full-time-equivalent students, but we are growing. We have grown at an average of about 7% a year over the last three years, and this year is

the first year where our out-of-region applications were higher than the applications from within the region. That bodes well for the institution and also for the community, because we estimate that each out-of-region student coming to study at Algoma brings approximately \$19,000 a year into the economy of Sault Ste Marie. Our strategic plan goals are to grow to about 1,000 full-time equivalents over five years, and so we have an ambitious plan but we also acknowledge the double cohort that is going to be coming into the post-secondary system very soon.

With that, I will turn it over to Dr Ross to make the rest of the presentation.

Dr Celia Ross : Monsieur le Président, messieurs les membres, on est enchanté que vous soyez venus à Sault Ste Marie. C'est vraiment rare que l'on vient vers nous et on vous en est très reconnaissant. Merci.

I'll try to go through the presentation rather quickly and highlight the main points and then leave you time to ask us questions. As Mr Wildman said, we are in a growth mode; we weren't always. We tend to be a little bit cyclical, almost like the steel industry. The last time we went downhill in enrolment, the Ministry of Training, Colleges and Universities said they would maintain our funding at its traditional levels if we would submit an annual strategic plan. We're doing this now, and since we started submitting the annual strategic plan, we have been growing. We've also regained fiscal stability. I want to thank the ministry and the government of Ontario for having that faith in us and for maintaining our base funding.

That's the first point I would like to make: that some of the funding models now in place for universities penalize them for lack of success. When you are not being successful for various reasons and your student numbers may be declining, you are losing in tuition fees. If, on top of that, you start getting penalized in basic operating grants, then you really can't recover, or it's very difficult to recover. So we're very grateful as a university college that we were given this chance to recover, that the ministry worked with us on the strategic plan and that now things are working well and we are prepared, as Bud Wildman said, to do our share in the double cohort education difficulty and beyond.

We're working hand in hand with our community. A few considerations about our community: I'm sure you've heard by now many times that northern Ontario communities, which were heavily resource based and very dependent on resource-based economic measures, are seeking to diversify. Certainly the Soo is seeking to diversify, and we've said for a couple of years now that we want to become a more knowledge-based economy. To do that, there has been a lot of discussion happening. There's a strategic growth mandate plan in place now in our city, and that plan acknowledges the key role of education in creating an educated workforce which will support the knowledge-based economy. So we're very pleased at Algoma to be working much more closely than ever before with our community and being much more

mindful than we ever have been before of our role in economic strategies.

We've started accessing—which for us, as an educational institution, is novel—FedNor funding, and we're applying now for northern Ontario heritage fund funding. The grants that we've received from the Ministry of Training, Colleges and Universities are no longer sufficient to support our growth. They're certainly not sufficient to support our capital plans. So we have to turn elsewhere. We're thankful for the support we've got so far from the heritage fund and from FedNor, and we're certainly planning on going to them and asking for more monies and of course to access those monies. They're not going to fund our basic education role; they're going to fund our economic diversification role. So we're highlighting that.

Our budget is made up from various sources. I've summarized them briefly on this sheet, and I won't go over that other than to say—that's on the top of page 2—that we've received \$650,000 from SuperBuild for a new building. We were quite ecstatic when we received it, and then of course we did a few calculations, and \$650,000 won't get us very much for a building. So it has precipitated us into two or three years of very hard work, which hopefully will culminate with the shovel in the ground this summer for a \$5.5-million building. So we've grown that money a lot. It has been a lot of hard work. Here again we're hoping for quite a contribution from the heritage fund. I can't underline enough how important it is for northern Ontario to have these pockets of money to assist us with our various growth initiatives.

My first request in this pre-budget consultation is rather simple. We're on a strategic plan at the university with the ministry, and we're being watched very carefully. We're being given two measurements of success; one is, is our enrolment growing? It is. Every September we can send a report to the ministry showing how enrolment is growing. Two, do we have balanced budgets with a surplus so that our accumulated deficit can be paid off? This is what's giving us problems right now. Our fiscal year ends at the end of April, and I still don't know our full funding for this fiscal year. I'm still waiting on what I hope is going to be a fairly significant portion of this year's funding, which is the accessibility fund. It hasn't been announced yet and I don't know how much is in it. Obviously the monies that we get from the accessibility fund are going to have to be spent next fiscal year. Then, of course, our board of governors and Bud Wildman are busy saying, "Let's be responsible here. You've got to keep balanced budgets," so if you're not sure what that envelope is going to be for next year it can't be for ongoing funding. I need to hire more professors. There's a shortage of professors in the province, there's a shortage of professors in North America, and a professor is not going to come for a one-year contract. So I'm stuck. I've got money for one-time expenditures but I want to make an ongoing commitment.

1520

My first request is, if at all possible, it really helps the university sector—it really helps all the public sector—if you want us to be accountable and to spend money wisely, to know what we've got ahead of time. Of course, we're all living in fear and trembling of what cuts might come next year. I'm drawing up my budgets for next year and essentially I have to present the board of governors, in another couple of weeks, with two budgets, one assuming that our funding levels are maintained and the second one assuming a cut, and I'm not too sure what sort of cut to assume. The worst-case scenario might be a 5% cut. If that comes, that's pretty disastrous for a little university on a growth pattern.

Funding really has to keep up with growth. If we have a 5% cut, heaven forbid; but even if we have a 2.5% cut in our funding for next year, that will mean that the library acquisitions will go down to practically zero again. We have experience in this, by the way. We've had financial hard times. I know where I'm going to cut. But all the positions in the university that are growth-oriented get cut: the coordinator of fine arts, the coordinator of community, economic and social development, they all get cut; no increases in support staff, and therefore the conditions of the building start to deteriorate again, and so on. You know where you're going to make them, but it would be nice to know ahead of time for planning and especially it would be nice not to have any cuts.

As far as northern Ontario goes, I think the main issue that keeps coming back in my head, and every time I visit the ministry or have this kind of discussion it's the first question I ask, really, is, what does the government of Ontario envisage for the whole province? If you really envisage a strong GTA with most of the growth occurring in the GTA, then I guess you don't have to plan much for northern Ontario. Northern Ontario's losing industries, it's losing jobs, it's losing people and, of course, as people go it gets harder for your post-secondary education institutes to continue to be strong. If we start to falter then you've lost another economic driver in the north. I think it would help if there were a clearer government policy on the balance of development that you want between the north and the south.

Along those lines, part of the university funding is now coming in performance-based envelopes, and they're OK as long as everybody's competing on an even foot. However, if you're going to judge a lot of our performance on our employment rates—at Algoma we're pretty happy with our employment rate. Two years out after graduation, it's 92%. That's very good, considering the high unemployment in our region, but that's not as good as U of T, for instance, so we don't get very much money for this. It seems to me that's a bit backwards. If you're not happy with our graduation rate factors, you should be working with us and asking us to produce some interesting plans to improve that employment rate and then funding us to put the plans in place. Instead of cutting funding, you should almost be giving us more

funding, because we're facing more of a challenge because the jobs aren't automatically here in our region for our graduates.

Something that you have done is that, in an era when we're expanding, you're not necessarily giving us through the ministry the funds for the expansion, but you are giving us opportunities to access those funds through northern Ontario heritage. I thank you for that and I would encourage you to expand the role of those special funding sources for the north if at all possible to make them even more useful for our institutions as we seek to grow.

I guess my plea is yes, we want to grow from our current 665 FTEs to 1,000 FTEs. It is in the provincial interest to have us grow, because if we grew to 1,000 FTEs we'd have overcome a lot of our diseconomies of scale and we'd be at a size where it's really easier to run a university on the model of the other Ontario universities. We're a bit small to do that right now. I think it's to the provincial advantage to have us grow and I would just ask that you continue to give us the tools that make this growth possible: reliable, ongoing funding and an equitable chance to compete for funding and program opportunities.

The Chair: We have approximately two minutes per caucus and I'll start with the official opposition.

Mr Kwinter: I was interested in your building plans. You've received \$650,000 from SuperBuild and you have planned to raise \$5.5 million. Is that to accommodate the double cohort?

Dr Ross: Partly, yes. We're at the limit of our capacity right now. We've filled our current building, so we need new places to put any expansion and, of course, for the double cohort we need more space, yes.

Mr Kwinter: It would seem to me that the problem all institutions in Ontario are going to be facing is that there's not going to be enough room for the double cohort. As a result, institutions like yours, which may not have ever been considered by a student, people will look at because you will have the availability to do it.

My question is, what is the timing? Are you going to be able to have that accommodation in place—not only have the capital funds to build it, but the operating funds to run it?

Dr Ross: The timing is very tight. We have to build now to have it in operation for the following summer and we have to have adequate facilities. We could always teach these students in a high school at night. But we're arguing that we have to have good, up-to-date facilities so that this bulge won't just be a one-time bulge for northern Ontario. Once they've come here, they will spread the word that there are good things in northern Ontario and after the double cohort we will maintain ourselves at a higher enrolment level.

Not only do we want to have enough space, we want it to be really good space. Not only do we want adequate teaching, we want to have really good teaching, which is why we want to hire more professors now so that we build our reputation, so that after that double cohort blip,

we stay higher and we take our role among Ontario universities.

The Chair: Mr Christopherson.

Mr Christopherson: Thank you for the presentation. I suppose at the outset we'd want to be sure that we know whether or not there are any known political affiliations on the part of either one of you. We're usually asking that to different kinds of folks.

Mr Hardeman: You're getting to be a creature of habit.

Mr Christopherson: Yes, that's it.

What I'd like to focus on is something that I experienced in representing the downtown of Hamilton, that is, moving more and more to fundraising in the community to support education. Now, mainly I'm speaking of elementary schools and some high schools, but the principle is the same.

Because we now have the federal ridings, I have one part of my riding that could easily afford, on a community neighbourhood basis, to probably provide whatever extra money was needed certainly a lot more easily than other parts of my riding, where families are facing serious challenges and there just isn't any disposable income. If the money has to be raised in the neighbourhood and in the community, it just doesn't get raised because it's not there.

You make the point that, for those colleges and universities that have to fund growth initiatives by fundraising, you're at a disadvantage to those in the GTA for exactly the same reasons, it seems to me, that I face with my elementary schools in downtown Hamilton.

Maybe you could just expand on that a little bit and advise us whether you're getting any kind of sympathy whatsoever for your plight, because certainly from a surface point of view, that looks like a legitimate issue, that there just isn't the same sort of people and money to tap into in northern Ontario as there is through the rich GTA, relatively speaking.

Dr Ross: That's quite correct. If you take our SuperBuild example, which is our biggest fundraising to date, we've got \$650,000 from SuperBuild. We've matched this with \$650,000 from the private sector, which is rather difficult, but we've done it, and we've got private sector partners who will actually be located in our building and working on joint projects with us, which is really positive.

We've got \$300,000 from our foundation, which was fundraising, but that is very, very difficult to get in this community. Now we're faced with the prospects of fundraising for a hospital and it's going to be even more difficult to get the money out of the community. There simply isn't enough money here.

For the rest of it we're looking to FedNor and the northern Ontario heritage fund, and that's where I said that these funds are really critical to northern Ontario, because they do compensate a little bit for the unequal opportunities that are up here. Obviously, U of T doesn't have access to that money; we do. As long as those funds are open to funding sort of non-traditional areas for

themselves, like a post-secondary education building, then we have a fighting chance. They're our equalizer, if you want, and they're very critical for us.

Mr Wildman: Mr Chair, if I could add just briefly to that, beyond the capital expenditures, which are very important, particularly with the double cohort coming and with our growth, there is the operating. As Dr Ross indicated, the key performance indicators—we don't have any problem with the use of those kinds of indicators in determining funding. The problem is the way they're used. They're used on a competitive basis. While we have employment levels of 92% two years after graduation, all the universities in the province are over 90%. That's a very good rate, but instead of setting a benchmark and saying, "You have to reach a certain percentage," whether it's 90%, 92% or whatever, "and once you reach that you'll get this funding," the ministry compares us to all of the other universities and all of the universities among themselves.

1530

The University of Toronto employment rate two years after graduation is 97%. They are getting a higher amount because they have a higher percentage employment after two years than we have, at 92%. It would be better, we think, to set a benchmark and say, anybody that reaches that certain level—and set it high—but once you've reached it, then you'll get the funding based on your need and the availability of expenditures from the ministry, rather than comparing a small institution like ours to very large ones in southern Ontario, which need funding too, but their needs are different.

Mr Hardeman: Thank you very much for the presentation. I appreciate the dilemma of the inability to raise as many dollars in northern Ontario. It's the same problem we have in rural Ontario, in southern Ontario, as you do in the GTA. But I gather from your comments that the northern heritage fund hopefully will take up a great part of the difference between the SuperBuild funding and the total needs, which wouldn't be available in southern Ontario.

Mr Wildman: I wish Mr Spina were asking this question, because hopefully it's very emphasized.

Mr Hardeman: Two points I just wanted to make were, you said we should have a government policy to decide where we wanted our students to go. Incidentally, my son decided that northern Ontario was the place he wanted to go to university. But a government policy as to where they should go: I'd like a comment on how that would be done in a free and open society where students go where they want to go.

The second one was the funding for benchmarking the standards of employment upon graduation, where you're at 92% and not at 97%. Once you've decided you're at 92% and you come to the conclusion that you need to change programming at the university to make your students more employable somewhere, why does that take more money, as opposed to changing the way the program is presently being provided? Why can we not do at Algoma university exactly the same as they do at the

University of Toronto to make those students all employable throughout the province?

Mr Wildman: Dr Ross wants to comment, but if I could make just one comment, we're not exactly asking for more money, Ernie. What we're really saying is, there's a total envelope and the way it's distributed now is on a competitive basis. We're just saying that we would prefer it not to be on a competitive basis and just be able to say, "All right, if you reach a certain level—whatever level is determined, fine—we will then compete to reach that level, but once we've reached it, don't put us in competition with larger institutions."

Dr Ross: For instance, if you take our student intake, a lot more of our students at Algoma will be "first time ever in the family" university students than say down at the University of Toronto. Fifteen per cent of our students are aboriginal students, many of those coming straight from isolated northern reserves and intending to go back there. A much higher percentage of our students—we're up to something like 78%—are on OSAP. That's way higher than the University of Toronto. So you're dealing with a different student body.

You're also dealing with students who want to stay in this region—not all of them but a lot of them—and there's higher unemployment in this region. Yes, we can change our program mix, but it's not just program mix that determines employability of students.

One of the things that is very dear to our heart is, we believe that northern Ontario—well, it's not "we believe." Northern Ontarians generally are less educated. Fewer of them have university education than people from down in the south, and certainly that's true in aboriginal communities. We believe that it is part of our mandate to play a role in correcting that process, but taking the high-risk students doesn't do anything, necessarily, for our employment graduation rate. It's more complex; in fact, it's a very complex issue.

If we want to address employment in First Nations communities—that's why I was arguing maybe you could invest a little bit of money into some of our initiatives, because it's such a huge problem. I hope we can play a role in this, but if you penalize us financially because of the type of student we're naturally serving by our geographic location, it makes it even more difficult for us.

Government policy—I was not really saying a policy but sort of a thought process running through government. If you want to encourage population growth in centres away from the GTA—and I know you do because you came up here a little while ago to consult on brown land reclamation and so on around Toronto because you're using up all your agricultural land. If you want to encourage things up here, why are you opening the Ontario Institute of Technology in Durham? That's southern Ontario. That's Oshawa.

Interjections.

Mr Hardeman: I'm with you.

The Chair: For the sake of time, we've got to bring it to an end.

Dr Ross: Yes. For instance, the medical school initiative at Laurentian and Lakehead, that's a great initiative for pulling students to the north. The OIT is fine down in Durham, but if we come up with an idea like that up in the north that might be a real opportunity for students from the south to come up here, you want that because you want young people coming into the region to be the future entrepreneurs of the region, the future developers of the region. You don't want to necessarily only build where the population growth is happening, and the SuperBuild largely did that. It largely built where universities already had waiting lists. Maybe a slightly different way of looking at it would be, the universities that didn't have waiting lists, if you built programs at those universities, such as medicine at Laurentian and Lakehead, that really attracts students and is necessary province-wide, then you put some of that growth in the north and then that growth will spill over into economic development that will be a little bit better distributed.

Mr Wildman: If I could just conclude, Mr Chair, I'd just say that we would not be in favour of a program that would try to direct students to a particular region of the province. We're competing now. We are attracting more applications from outside of our region, most of them actually from the GTA, than we are from within the region. We want to serve our region, but we want to serve the whole of the province. We'll compete for students; just put us on a little more equal footing and we'll compete even better.

The Chair: I gave you special privileges. Good luck and thank you very much for appearing before the committee.

Mr Wildman: Thank you very much, Mr Chair. I appreciate it.

ALGOMA DISTRICT SCHOOL BOARD

The Chair: Our next presentation will be from the Algoma District School Board. I would ask the presenters to please come forward. Could you state your name for the record, please. On behalf of the committee, welcome.

Mr Russell Reid: Thank you for this opportunity to make a presentation to the standing committee on finance and economic affairs. I'm Russell Reid, chair of the Algoma District School Board. With me, on my left, I have Wanda McQueen, vice-chair, and Ray DeRosario, director of education for our board.

As chair of the board, I'm representing all 11 trustees of the Algoma District School Board, sharing issues and concerns of the board with the committee for your consideration.

The changes that have occurred and continue to occur in education in Ontario over the past five years are unprecedented. Virtually every aspect of our operations has been affected, from governance to finance, program, operations, to labour relations.

Our school board is the largest in this part of northern Ontario. We have over 15,000 students in 52 schools located in many communities that cover an area two

thirds the size of southern Ontario. It takes about nine hours of driving to cross our board's area. I had the thrill of doing two and a half of them today to be here.

Our board was created with the amalgamation of six predecessor boards in January 1998. We feel we are doing a good job for our students under very difficult circumstances, thanks to the dedicated efforts of our teachers, support staff, administration and trustees.

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I know you have heard presentations from others in education today. I would like to share five areas of concern that our trustees have. I suspect they may reinforce some of the concerns raised before you by others.

First, like our roads, bridges, sewage systems etc, the schools in our board are of post-World War II vintage. We have an aging infrastructure across the province. All of the schools in our board are decades old. We are currently receiving under \$2 million annually to maintain these facilities. This is woefully inadequate to service the 60 facilities across our district. We are forced to apply a Band-Aid approach to keeping our facilities in operation. We are very concerned that the province recognize and address what is, and will become even more, a very serious issue. We need strategic planning now, at the provincial level, to provide the long-term capital funding needs of our school facilities.

Our board spends about \$6.5 million each year providing bus services to our students across the district. Approximately 20,000 kilometres are travelled each day by buses transporting over 9,000 students. The walking distances in our transportation policy are quite conservative. The funding we receive each year falls short by about \$600,000. We cannot continue to subsidize the service.

The Ministry of Education has been working on a new funding model for transportation for several years. Based on past experience, we are apprehensive that a new model will really meet the needs of a board such as ours.

The third concern for us centres around the population decline in northern Ontario and its relation to the education funding model. Boards across northern Ontario have been experiencing an enrolment decline for decades. The new funding model for school boards is based almost entirely upon student enrolment each year. While we see an immediate financial impact with each year's decline in enrolment, we cannot respond immediately with structural or operational changes when enrolment declines, since it occurs in small numbers across all schools in the board. We cannot cancel a bus route, close classrooms or reduce administrative staff commensurate with a drop in enrolment, yet we lose funding immediately. We believe the funding model must contain a mechanism to address the reality of planning and delivering programs and services in a climate of declining enrolment.

Special education funding is another area of particular concern to our school board. Ministry of Education statistics indicate that the need for special education services for students is higher in northern Ontario than

elsewhere in the province. Our board provides the most comprehensive special education program available to students in this part of northern Ontario. To do this, we are spending about \$1 million more each year than the funding formula provides. To receive special education funding, each board must complete a rigorous process of clinical documentation of individual student needs. Our staff are required to spend far too much time compiling and submitting documentation. This time should be spent delivering services to students in our schools. Our dilemma is that we will receive no funding unless we direct staff time to completing the paperwork demanded by the funding process. In the meantime, the demand for special services is growing, and the waiting lists are getting longer.

We must have a realistic model for funding special needs, a model that does not put the focus on paperwork over service to the students. We are confident you have heard, and will hear more, about the inadequacies of the educational funding model and the need for a more effective investment of our taxpayers' dollars.

We also recognize that there are many good things in the educational reforms of the past few years, including the new curriculum, the standardized reporting to parents and more accountability in how school boards manage their resources and deliver programs.

We all know that there are many legitimate needs competing for the dollars of the Ontario taxpayer. Education is only one need that must be met. It is in this context that we present the last issue we want to raise with the committee today.

There is a tremendous duplication of spending of precious educational dollars today in the support of four independent school boards in every community in Ontario. We have 72 school boards in Ontario today, each with an administration, business department, plant department, human resources department etc. We have communities with two school boards with schools in operation, both well below capacity, where one school could accommodate all of the students.

There is no question that many millions of dollars could be saved and redirected to the classroom by revising our governance model in Ontario. Moving to a structure with one set of school boards to administer English schools and one set of school boards to administer French schools would put more money where the needs are greatest.

We understand this is an emotional issue for many, but we firmly believe now is the time for open public discussion. Ontario and Canada have changed tremendously in the past 130 years. We are very much a multicultural nation today and will be even more so tomorrow. A Constitution can and should be changed when careful and thorough review by the people reaches such a conclusion. We believe an open dialogue with taxpayers on this issue must be initiated across Ontario to address the duplication against the growing need for more funding in every classroom.

In conclusion, we appreciate the opportunity to share our issues with you. We have identified five areas of concern to us. We hope you have the opportunity to consider our concerns and recommendations in your pre-budget consultations.

We have brought copies of the presentation that we've left with you and are prepared to address any questions you might have.

The Chair: Thank you very much. We have two short minutes per caucus, and I'll start with the NDP.

Mr Martin: Thanks for your presentation. You're right: some of what you presented certainly dovetails with what we've heard from other folks from the community today around the question of scarce resources, trying to continue to offer a service that's meaningful and helpful to people. It's interesting. When I get to Toronto and I read in the media some of the issues they're dealing with, such as closing down swimming pools, and I compare them to some of the issues we have up here, such as whether we can deliver special education to students, it paints the unique challenges we confront and speaks to the real lack of options that we have. We had a woman in front of us this morning talking about her autistic child. I know some of the work we've done out of our office in co-operation with yourselves to try to get the resources that are necessary. How many people, in your estimation, are we not really honestly meeting the needs of under the special education umbrella because of lack of resources?

Mr Ray DeRosario: Tony, that would be very, very difficult to quantify. I know the list is growing as we speak. I know we're not providing the kinds of services that are being demanded by the public. But in terms of quantifying, we have in excess of 1,400 kids, I think, receiving special needs of one fashion or another in a population of 15,000. I know that our superintendent of education, who has that responsibility, is always making the point that we're falling far short of what we should be doing. We have an awful lot of people who have higher expectations than what we are able to deliver at this point, so we wind up prioritizing. It's an exercise where we can't be all things to all people, so we have a system set up where we try to identify the highest needs and meet those needs first. But there is no question that we don't have anywhere near what we should have.

1550

Mr Hardeman: Thank you very much for your presentation. First of all, I want to say I agree with Tony. There seems to be a difference—although we knew it, and I think we're hearing it loud and clear here today—between the problems with our funding formula in Toronto and the problems in northern and rural Ontario. Until we come to rural and northern Ontario, we find that it seems the only problem they have is in downtown Toronto where the funding formula doesn't seem to work, because it doesn't provide as much funding as it used to do. We come here and we find out that the problems are at least as large, if not larger, here in northern

Ontario as they are in the rural part of southern Ontario where I'm from.

Talking about the swimming pools, in my community we've never had a swimming pool in a school and I don't expect we'll get one in the near future, so keeping it open is not the biggest issue.

One of the things I wanted to ask about is that you mentioned the geographic size of the school board and that it makes it very difficult to administer education. Yet the suggestion of having two school boards, French and English, to find savings in that, would that not make the boards just as large? Doesn't that make the problem just as great? I guess I would just like to add that maybe the suggestion is that we shouldn't have school boards. Maybe we should have schools run by parents, as they used to be when I was a child, and then we wouldn't have distances at all. The geographic area of every school would in fact be the geographic area where the children come from and the parents would be in charge of running that school. Is that an option or a suggestion worth considering?

Mr Reid: I guess to that I can use my hometown of Wawa as the example. Sir James Dunn Public School is at about 50% capacity. St Joseph school is at about the same capacity. It's a much smaller school. Why could we not be putting all of those students in the one school building and—I don't know—sell off the other one?

The Chair: I have to go to the official opposition.

Mr Brown: Welcome, Russell. It isn't so long ago I saw you in Wawa. And I should know Ray. I apologize; I did sneak into a couple of your schools without letting you know.

Mr DeRosario: Mike, you told me you'd call me.

Mr Brown: I thought we had.

I think one of the interesting things is that although your school board is one of the largest, or the largest, in northern Ontario, your school board is about 60% of my constituency. So I'm just trying to make you feel better about that.

I think the governance issue is an issue. In my travels, I was in schools in Dubreuilville and I found—well, I knew—it was an isolate board. There's an isolate board in Hornepayne. When you're in Chappleau, you see some of the divisions that were created out of the last reorganization of school boards that had been healed—and I think Russell could tell you the same about Wawa—or if you'd spoken to the people in Blind River and Elliot Lake, all of which are in this constituency. Some of the accommodations that have been made at the local level are now falling apart and some of the old language and religious wars are now coming back to the fore, which I don't think is particularly helpful.

As you all know, I represent the more rural schools, the smaller schools. Hornepayne is particularly interesting in that you have a high school with 90 students, I believe.

Mr DeRosario: I think it's 83 right now, operating out of a mall downtown, by the way.

Mr Brown: In downtown Hornepayne.

Mr Reid: With a swimming pool.

Mr DeRosario: It doesn't belong to the school board, though. The swimming pool belongs to the town of Hornepayne.

Mr Brown: My point is, how has this stretched the resources of a school board that is, I'm told in my travels, providing more professional development to the teachers and instructors but is obviously putting much strain on the overall ability of the board to respond?

Mr DeRosario: It certainly is. We're in the fortunate position of having had some reserves coming into amalgamation. That's what has let us get as far as we have, but obviously those reserves aren't going to last forever. We're one of the boards, I think, that will run out in the foreseeable future. We've been spending from the piggy bank to keep things going. We've been investing in information technology to a higher degree, with a video conference network and that kind of thing, to try to cut down on the amount of travel and at the same time provide as equitable an opportunity as we can for some of the people who are in the smaller communities. There's no question that those kinds of things are very difficult to do and it's getting more difficult as time goes on.

If I can redirect, Mike, we're not suggesting one school board for all of the English schools; we're suggesting several different English school boards for all of the schools. But we have a real difficulty, when we're all coming to you and crying poor, with the amount of duplication that doesn't have to be there. It doesn't make sense.

The Chair: Thank you very much on behalf of the committee. We've run out of time.

BOB DENHAM

The Chair: Our next presentation is from Robert Denham. I would ask Mr Denham to please come forward. For the record, I'll ask you to state your name, and you have 15 minutes for your presentation.

Mr Bob Denham: My name is Bob Denham. To begin, welcome to Sault Ste Marie. Bonjour et bienvenue. That pretty well exhausts my French, but I thought as a citizen of this city, it might be appropriate to do that.

This afternoon, I'm here to address two particular issues to you: one you heard earlier, the Ontarians with Disabilities Act, and the current governing policies regarding home care.

Let me give you a bit of my background as we begin. Originally my plan was that I would have my wife, Pat, who is in a wheelchair, here with me. She's a victim of Lou Gehrig's disease. This I did not plan on. The snowplough came by and filled in our driveway and we couldn't get it emptied. I had a choice: do I give her a shower and dress her or do the driveway? We decided that she would sit at home, cross her fingers and I'd go on for both of us.

Both Pat and I are retired teachers who are long-time residents of the Soo. I found it interesting today when I dropped in this morning that there were three names on our agenda: Mr Greco, Mr Denham and Mr McGuire. You may ask what we all have in common. Well, all three of us went to the same grade 8 class together, and I'm sure right now there's some old nun who is really thankful that she gave us those lessons on public speaking that we didn't want to go through. I've already promised Mr McGuire that I'd be brief—about six minutes—and then relinquish my chair to him if he needed it.

First of all, I'm here not representing any particular group or organization; I'm just representing my wife and myself. We're exercising our democratic right to speak to our elected members and to suggest ways our government can do more to help the people it represents.

We appreciate the bipartisan makeup of this committee and we would like—both of us, if she were here—to tell you that we've voted for all three of your parties—generally not at the same time, so I don't know what good that does.

Interjection.

Mr Denham: That's the one from Chicago. That's where I was born. Don't send me nobody that nobody sent me.

Our discussion today will focus more on the anecdotal elements of these two issues than on the statistical evidence you've been buried under, I'm sure. In short, we're just two ordinary people. In particular, we're here to talk about how our money is being used by our government.

To begin with, the amended version of Bill 125, the Ontarians with Disabilities Act, which this committee amended on December 11 of last year: I've read the act more than once and I've read the amendments more than once—really exciting stuff. No piece of legislation, realistically, will be applauded by everyone. I'm sure other individuals will suggest changes to the act as it impacts on handicapped folks.

Let me begin by saying we thank you for getting this act passed. Now please make sure that there's funding in place to implement it. This issue has languished long enough in Queen's Park.

1600

We thank you for having this meeting in a barrier-free setting. We ask that you listen to how a disability can impact on someone's life, as it has on my wife's and mine.

Until Pat was stricken with ALS, Lou Gehrig's disease, eight years ago, I was like most healthy people. I was sympathetic to disabled people's needs, but I was benignly ignorant. When an individual is diagnosed with a terminal neuromuscular illness, you and your family are faced with a series of crushing realities. One, you are going to die. It will be slow and horrible beyond comprehension. Two, in the meantime, you must deal with trying to maintain some semblance of a normal life with dignity in a world that was not designed with you in mind.

At this point, I was going to ask Pat to speak. We have her speech, so as a former English teacher, I'll just jump into her thought process, if I could.

The winter before the onset of her disease, Pat worked full-time, helped raise two kids and skied. That March break, we played golf in Myrtle Beach. From the time of the appearance of her first symptom in June, it took over a year to diagnose the ALS at University of Western Ontario hospital, because there was a lack of access to an MRI. Anecdotally, at the same time, Kelly Gruber was injured playing for the Blue Jays, and he got an MRI. I understand how that works. I don't like that, and neither did she. We were praying that she had a tumour on her spine. We were praying that she had MS. Eight years later, if she were here, you could see she's still alive.

For the past six years, she has been in a wheelchair. Accessibility to many places is difficult. I'm bothered by it more than she is. Many churches, restaurants, museums and public transit services are not handicapped-friendly.

The unregulated hotels and motels in Ontario each have a different view of what handicapped means. Make a reservation. I went into one this summer in Georgetown. I said, "My name is Denham. I have a reservation for a handicapped room." The man said to me, "That depends on your definition of handicapped." Right then, the whistle went off, and I thought, "Oh, boy, now what?" His definition of handicapped certainly wasn't our definition of handicapped, because there was no regulation forcing him to make it that way.

Sadly enough, even our civic centre is not handicapped-accessible. I challenge you, before you leave, to walk into the civic centre, close your eyes, and try to use the elevator. There are no Braille numbers. I challenge you to get in a wheelchair and try to get up the ramp; you can't do it. I challenge you to get in there after five o'clock and use the elevator when the door on the outside is locked. That's our city.

We renovated our home without any government aid. We took the garage and turned it into a master bedroom. To fund this type of project, we cashed in RRSPs and received no tax breaks for our efforts. We could afford to do it. It's the old story of the well-off teachers. But now we don't have money available for other things.

We're more fortunate than the lady who lives down the line from here. At the onset of her illness, she was allowed one hour a week for health care, for a caregiver to come into her home. She shares it with her husband. He has post-polio syndrome and can't do housework. She had to decide whether she would use the hour to be bathed or to change her bedding. Their finances are limited, and they barely make ends meet. Thankfully, they've been allowed four hours a week of health care, but for the previous eight months, they were in a constant state of stress. I know, because they called us. I'm sure they called Tony. I can tell you from experience that four hours a week of help is not enough. We currently have seven hours. I'm fairly healthy, and we have family and friends to help, and it's still difficult. I know Pat's

condition will get worse. I know this lady's condition will get worse.

This is where she would stop talking and I would say this: this isn't my vision of Ontario. I hope—I agree that much can be done to free up hospital space by allowing patients to live out their lives at home when they're faced with serious illness. Our plan is for Pat to live out her remaining days in our home. The alternative is to say to her, "Let's buy a new house for you to die in." It's either renovate or move.

No one in this room should think that this can't happen to him or her. God forbid that it might, but if it does, ask yourself this: "Will I be allowed to live my life out in dignity and security?" Isn't that the vision of Ontario that we all share?

You're going to help to decide where budget money will be allotted. As you make your decision, my hope is that you'll remember my story about this wonderful lady in her red wheelchair and others like her.

I'm going to finish with an Irish toast. I was going to say it's an old Irish toast, but I don't suppose there are any new Irish toasts, are there, Tony?

"Here's to those who love us, and to those who don't love us may the Lord turn their hearts. But if he cannot turn their hearts, may he turn their ankles so we'll know them by their limping." I hope that when we meet again next, you will not be limping. Thank you all.

The Acting Chair: Thank you very much. That concludes the presentation, and it was very much from the heart. We have consumed about 14 and a half minutes of the 15 minutes; it's pretty hard to divide the time left in three.

Mr Denham: I'd be happy to give it to Gerry, but he doesn't need the time.

The Acting Chair: We thank you very much for your heartfelt presentation.

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

The Acting Chair: The next presenter is from Sault College. Thank you very much for taking the time to come and speak to the committee today. We would ask if you would, for Hansard, identify yourselves before you start. You have 20 minutes to make your presentation. Any of the time that you do not require for your presentation we'll divide equally between the three caucuses for any comments or questions they have as they relate to the presentation. With that, thank you again and welcome.

Mr Gerry McGuire: My name is Gerry McGuire, and I'm president of Sault College. With me is Rick McGee, who is the director of communications and public relations with the college, among other things. The chair of our board, Mr Vince Sguigua, was going to be here tonight, but he unfortunately had a death in his wife's family and had to leave yesterday for the funeral, so he's not able to attend. Other members of our board are meeting this afternoon to look at the selection of a

new president, so I'm it. But I do speak on behalf of the board in everything I'm going to say, having their support.

I brought a pizza for you, because I realize you've been going all day long. I was going to take some time to cut it up. It's one size of a pizza. I thought there were five members on the committee, but there are a lot more, and I didn't realize there were going to be so many people in the audience. But before I leave I'll try to cut this so that each of you gets a small sliver, both members of the committee and members in the audience. The pizza pie, and the cutting of that pie, is an analogy that deals with college funding in Ontario. Essentially, you have one pie and you divide it out to whoever comes to the feast of learning.

In Ontario in the early 1990s, there was about \$700 million for about 90,000 students who came to the feast of learning in the colleges. Today, there's about \$640 million and there's 150,000 people at the feast. We've run out of pizza to cut. In a competitive, enrolment-based system, we have several problems; I want to address those. I'm going to highlight some of the things you have here, because of the time factor, and make a couple of closing comments that aren't here. I hope you take the time to read the presentation material that's with you and maybe study it as we look to the future of Ontario.

At this time of the year at Sault College we're struggling with the challenge of preparing a new budget. Colleges across the north and in small communities as well as large communities in Ontario are doing the same thing. Our task cannot be compared with the complexities of the provincial government. But in terms of the issues that you're looking at, there are some common threads related to the colleges. Our budget preparations include very difficult tasks and the task of making choices. I wish you well in your deliberations and I hope that some of the input we give you will provide some other considerations for you as you look at this province's budget.

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A little bit of background: for 32 years I have enjoyed the privilege of working in public education in Ontario in the adult education sector. I have been a teacher for several years, I have been a manager, I've been a vice-president and, ultimately, for the last 11 years, I have been president of a small northern college. During my career, I have seen and experienced a lot of change.

Because my retirement is imminent, I don't have a financial stake in terms of the future of Sault College or really of Ontario's community college system. Nor do I need to worry about the state of post-secondary education in Ontario from a selfish point of view, because both of my children are through that system and are pursuing careers, albeit in Toronto. I don't have a worry about post-secondary education that way.

I do have a very strong personal interest, though, in what lies ahead for Sault College and other colleges in Ontario's smaller communities. While I cease to be a president, I will continue to be an Ontarian and, proudly, one who resides in the north. As a private citizen, I will

continue to hope that the future will be much brighter for my community and for other northern communities.

At the same time that we share common concerns with other smaller colleges located elsewhere in the province, I want to put it bluntly from Sault College's side: we are facing an uphill battle for survival. If you study the financial statements of most northern colleges and other medium-sized colleges in the south, you will find that every one of them is facing a real financial crisis at the same time we face the largest influx into the post-secondary education system in Ontario that our history has seen.

Colleges are instruments of government social and fiscal policies. At the end of the day, the government controls the purse strings, and in that way you control the colleges or the universities. Recent governments have asked us to operate more efficiently, and those governments go right back into the late 1980s under Premier Peterson, through Premier Rae and now with Premier Harris. During the past decade, we have gained efficiencies.

Per student post-secondary grants decreased in Ontario from more than \$5,700 in 1990-91 to what would today be the equivalent of \$2,300. During this period, enrolment increased by 15%. During this period, the dollars dropped by 15%, enrolment increased by 35,000 students, and tuition levels increased by more than 220%.

No one can credibly claim that colleges have not become masters of efficiency. We would put the efficiency factors that we've measured ourselves against against any private sector or other public sector in Ontario or in the rest of the country. Indeed, the Investing in Students Task Force that studied post-secondary education across all of North America identified that we were the most efficiently run college system in North America and that no further savings could be obtained from an individual college institution because everything had been cut that could be cut. Our client funding, the student funding that we receive today, is 8% lower than it was in 1998.

I'm leaving with you the comparative data that elaborates on the information I have provided you. It gives you comparisons of colleges to universities to health sector funding.

It would be very wrong to assume that the efficiencies we have gained have not come without major losses in service to Ontarians. I'll use Sault College to make the point.

Cuts in federal and provincial funding forced us to close Sault College campuses in Elliot Lake and in Wawa. In the process, services that those campuses formerly provided to those and the populations in the outlying communities were discontinued. Ontarians in many area communities no longer have on-site access to post-secondary, adult training and continuing education programs and courses once available to them.

Business and industry in many of these locations have lost direct access to the employee training programs they require to ensure their operations remain competitive.

At the end of the day, it matters little to people and their communities whether the federal or provincial governments are responsible for the loss of opportunities and services. It is almost inconceivable to me that Ontario is the only province in this country of Canada that does not have a labour and training agreement with the federal government—the only province in Canada. Campuses that once were vibrant contributors and centres of community life now lie closed, vacant and unused. Because of the new accounting policies that are in place in Ontario, we can't even give those campuses away to community groups because it affects our bottom line and drives us further into deficit.

An analysis of post-secondary education funding across North America produced the following results. Among 60 states and provinces, Ontario ranked 59th in terms of per capita spending for public colleges and universities. Put that into a totally Canadian context, and Ontario stands ninth among the provinces in grant funding for full-time equivalent in the post-secondary system: universities and colleges. When the operating grant full-time equivalent and tuition revenues—those tuition revenues that have gone up 220%—are combined, the province of Ontario drops to dead last per student funding in post-secondary education.

Everyone knows that a highly educated workforce is vital to the economic well-being of Ontario and Canada. The quality of life we all want for our children and grandchildren depends on maintaining our position in the world. But how can we expect to do so when Ontario is investing less in the future than virtually every other province and state on this continent? What price will our province and economy pay two years or five years from now? We've seen the challenges in the crisis in health care, we know the challenge that's facing us in skilled trades, and yet our investment in the development of those critical components of our future is decreasing.

We've got two real problems in funding and those problems really relate to the issues that I've addressed in terms of the amount of dollars that are provided across the whole province for funding. There simply needs to be an increase in investment for post-secondary education. That's the first thing. You can't have a world-class education system unless at some point you begin to reinvest in it, and you can't be world class in the economy without the skills we need.

The other issue that's critical, and it goes back to what the school boards were saying: we need a different funding distribution mechanism, the way we distribute money, to service areas of Ontario that are not the same or are not populated at the same densities as those areas in southern Ontario. It just doesn't work.

We continue to operate with a totally antiquated and inadequate funding formula. It is particularly damaging to smaller colleges. Without getting into all the complexities of the distribution model, I want to emphasize that it simply doesn't work. Under the formula, the bigger colleges grow stronger and wealthier and the smaller colleges grow closer to closure. It's a slow death. Small

colleges and smaller centres simply cannot effectively operate under the same funding formula used for colleges in large, southern metropolitan areas.

Given our sparse northern populations, we cannot achieve the economies of scale available to the colleges in the large urban areas or to the universities. Yet we must maintain a critical mass of programs and services to be viable.

We cannot compete on an even playing field when it comes to growth. There's a crisis in northern Ontario. We have a population, as a percentage of Ontario, that is back to the percentage it was just around the turn of the century. In 2000-01, we're back to where we were as a percentage of the population in Ontario.

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The existing competitive funding formula provides no recognition of the diversity of our institutions and the regions in which we are located. The one-size-fits-all funding formula for Ontario colleges really doesn't fit at all.

There are other issues that I believe warrant serious consideration and I've tried to identify those in here. I won't read them because of the time factors.

I want to just focus for a minute on one other component. Colleges across Ontario, but particularly in the outlying smaller centres of Ontario, have a tremendous economic impact on our communities and the regions we serve. Colleges are not just access points; they're economic engines, they are knowledge-based industries in communities where we say to survive in the future we need to create knowledge-based industries. In the documents that I've provided you, you will find an economic impact statement of Sault College on Sault Ste Marie. You will find that it has an over-\$80-million impact, from a \$32-million budget. That budget, back in 1993, was \$43.5 million. You will find that we are at the forefront of every new economic initiative that is looked at for our community, whether it's in the development of call centres, the development of telecommunication industries and support services or the development of new industry that needs higher skills or historic manufacturing skills. We're there and we've been able to provide a level of service and education for people in the community. That opportunity is diminishing each year—and it's not just in Sault Ste Marie; it's in every institution across the north, every community college across the north.

I think it's easy to come and say, "This is what we're facing and these are all of the issues we have." I have included three recommendations at the end of the paper.

The first recommendation, which comes from everybody you talk to—I recognize that—is that we need more money and that, as a province, we need to invest more money into the post-secondary education side. I'm suggesting a measure, if it's acceptable to Ontario, that we at least fund post-secondary education to the national average of the 10 provinces.

The other recommendation I'm making is that we change the funding distribution formula for Ontario col-

leges so that economy-of-scale differences are recognized to allow smaller institutions to maintain quality and access. In the document you have a comparison of the grants per FTE from each of the provinces. One of the suggestions that comes back to us is, Ontario's grant per student is much lower because we're a much more highly populated province. If we're going to say that, then we should recognize those parts of the province that don't carry that heavy a population and do some other comparators than the benchmarks that we presently use.

The third component is to provide transitional funding for smaller colleges to maintain baseline programming and services and to sustain northern colleges through a period of economic and demographic restructuring in the regions. Fundamentally, you need to understand the analogy of the pizza: there are no more pizzas ordered, and the more people who come to the dinner, the smaller the piece of pizza becomes, and finally you get to the point where you don't have enough to sustain yourself. That, folks, I believe—I don't believe it; I know it—is happening to the small colleges in Ontario. We have to find a different way to do it.

I thank you very, very much for the opportunity to make this presentation.

The Chair: Thank you very much. We have two minutes per caucus. I'll start with Mr Spina.

Mr Spina: Thank you, Gerry. I'm not sure which sister you and Bob Denham went to, but I don't remember seeing you at St Mary's in the early 1960s. Also, if you go back in the history of the records of your school, you'll find that I was the vice-president of the student council the opening year. That was my first political—and probably my last. Right, Tony?

Gerry, you make a good point with the pizza analogy. We're seeking direction; that's why we do this. You're saying there isn't more pizza. The question I'm asking is, understanding that you've got a limited-size box, is there a way to make the pizza bigger? Or is there a way that the funding has to be changed? You really didn't give us any direction in how that could be changed, or at least considered to be changed, and I think we'd appreciate that.

Mr McGuire: I think there are two things. There's a way to make the pizza bigger and that is to create different synergies and relationships between colleges and universities in Ontario, and we're trying to do that. But there is an option. It's an option that some people support very strongly and others don't support.

The other issue is one where you have to balance whether you're going to maintain quality or not, and I'll give you the example. The Ministry of Training, Colleges and Universities can come to us and say, "Colleges in the north are not growing at the same rate as colleges in the south." In fact, if you study the enrolment patterns in the north, you'll see cycles where we go up and down in terms of our enrolment growth. If we recognize that, then maybe we should set a figure that says, "In the district of Algoma, for post-secondary basic program and service, we will fund 2,000 students at Sault College, and we will

fund them at this rate." People in the community may say it should be more than that or it should be less than that. But the difficulty is that unless you decide to set some base line—2,000 students with a base funding level—we will never be able to achieve growth rates in the north equivalent to growth rates in the south, and ultimately your services, whether it's special needs, your health centre or your technology in the classroom, keep cutting back.

One of the suggestions that has been made is to designate. During a period of transition in northern Ontario and other small communities, the government will fund these community colleges for this number of students, under a funding rate that you can run the operation on.

Mr Spina: And capital.

Mr McGuire: And capital, but give a funding line. Right now, the colleges in the north are going after more and more students in the south. How many millions of dollars are being spent marketing colleges because of this insidious, competitive, enrolment-driven mechanism we have? We spend far more money now funding a marketing program to try to attract students so we can survive, because if we cut our operation and said, "We're going to stay at 2,000 students," we'd still go bankrupt.

Mr Spina: But aren't you competing with Algoma?

The Chair: Mr Spina, I must go to the official opposition because we've run out of time.

Mr Brown: Thank you, Mr McGuire. You're saying, "Show me the money," I guess.

I think it would be interesting if the members could understand what our competing jurisdiction has done. When you're in Sault Ste Marie, you just have to look across a river to understand how Michigan has been dealing with what is essentially the same problem we have. Maybe you could help us with that.

Mr McGuire: We have directly across the river from us Lake Superior State University, which has a university and a community college charter. A few years ago it had about 3,300 full-time post-secondary students. It's down to about 2,800 post-secondary students. We had at Sault College about 2,700; we're down to 2,200. We have 500 or 600 apprentices and so on.

Governor Anglin, in capital investments in that small university across the river, in five years invested \$60 million in capital, in new technologies and labs and in brand new buildings to attract students to that part of the upper peninsula, which requires an economic infusion.

If you look at Sault, Michigan, if you look at Marquette, Michigan, if you look at Houghten, Michigan, you will find thriving post-secondary institutions that are bringing students from outside the region and creating a knowledge economy in their communities. For each student, there are 2.5 full-time jobs created in the community, outside of the institution. Sixty million dollars. In Ontario during that same period of time, if you took out the construction of Boréal and you took out the construction of Niagara college and you said how much money was spent in refurbishing Ontario colleges over

that same five-year period, you wouldn't reach \$60 million that was spent on one small university.

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The Chair: Thank you very much. The third party.

Mr Martin: I just have a quick question and then Mr Christopherson has a quick question. I just wanted to take you back, Gerry, because I think others should understand. We worked together in the mid-1970s at Sault College and we were all over the North Shore. We had campuses in Wawa and Elliot Lake and subcampuses in White River, Hornepayne and Blind River. We often referred to ourselves as missionaries because we were all over the place, spreading the word about education and re-education. We were offering courses in people's basements. It was exciting and the contribution that was made to those communities was immeasurable. What would it take to get us back to that?

Mr McGuire: I read the other day that there's an investment from the federal government of \$124 million in one particular initiative. I believe we could get back to part of that environment with an investment of approximately \$10 million in the six northern Ontario colleges. Ten million dollars is a very insignificant amount of money that would allow us to start to move back in and create the environment you're talking about. It's an investment; you cannot get a better return on your investment, because we're going to have to educate people and give them opportunities for training. We're either going to have to do it one way or we're going to have to support people in another way.

I'd like to, if I could, Mr Chair, just mention one thing. Sault College and Algoma University College have the best articulation agreements of any that have been promoted in Ontario between colleges and universities. We have the best agreements and we have a role for both institutions in the community. We have two different mandates with two different focuses, and in some areas we are crossing over where we can find savings. The difficulty is that when you have two institutions that are on the verge of bankruptcy, it's really difficult to invest in the future.

The Chair: With that, we've run out of time. On behalf of the committee, gentlemen, thank you very much for your presentation this afternoon.

SAULT AREA HOSPITALS

The Chair: Our next presentation is from the Sault Area Hospitals. I'll ask the presenter to come forward, and if you could please state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Mr Ron Gagnon: Mr Chair and members of the committee, my name is Ron Gagnon. I'm the vice-president of corporate services for the Sault Area Hospitals. I'm here today to provide you with input from our hospitals which hopefully will prove useful in your deliberations. On behalf of the boards and the staff of the

hospitals, I wish to welcome you to Sault Ste Marie and I thank you for this opportunity.

Just a little bit of background on the Sault Area Hospitals: the Sault Area Hospitals is a partnership between the Plummer Memorial Hospital and the Sault Ste Marie General Hospital. The main physical facilities consist of the Plummer and General hospital sites, which are essentially separated by a parking lot about five minutes from here, and also the Thessalon site in Thessalon, Ontario, and the Matthews site on St Joseph Island, those two being about 20- and 40-minute drives from Sault Ste Marie.

Through the co-operative work of the boards, our medical professionals and administrative staff of the hospitals, we've been able to eliminate the duplication of programs and administrative and support services. I think it's of particular note that we did that before the HSRC was established. Many today might say that was to our detriment.

We operate a total of 317 beds. Currently, we also operate 49 interim nursing home beds. We serve as a district referral hospital for Algoma. Our total catchment population consists of approximately 120,000 residents distributed over a 50,000-square-kilometre radius. Our closest Canadian hospital to which we can refer patients is in Sudbury, Ontario, a three-hour drive down a two-lane highway.

I note for the committee that many of the comments I will share with you today were also shared with the Minister of Finance when he visited Sault Ste Marie in December last year. Also, based on my discussions with colleagues from other hospitals and contacts at the Ontario Hospital Association, I'm sure a number of topics I'll raise today you will have heard or are going to hear in other submissions. I believe this is a clear indication of both the commonality and the severity of the issues being discussed.

Today I'll try to touch on four areas, the first being the need to provide adequate and predictable hospital funding; second, the need to finance capital and information technology requirements of the health care sector; third, the need to address and finance health system issues; and fourth, I'll touch briefly on some of the potential impacts of inaction.

To begin with, the need to provide adequate and predictable hospital funding: the Ontario Hospital Association has documented, through audited projections, that hospitals require \$300 million in the current year just to maintain the current level of hospital services, and that a minimum of between 7% to 8% increases are required in 2002-03 just to maintain the current level of service.

Our local situation is somewhat bleaker than these projections. In our case, we will require funding increases of 5% this year, or \$4 million, and upwards of 13% next year. Again, that is just to maintain our current level of services. Based on discussions with colleagues from other northern hospitals, our 13% next year falls right in line with what is being requested by other hospitals in the north.

Ontario's population continues to age and to grow. The cost impact of these factors alone is predicted to be at least 2% per year for the next three years. Although our population in Sault Ste Marie is not anticipated to grow, our research demonstrates that the people served by our hospitals are considerably older, have lower incomes and are less well educated. We have a higher aboriginal population, and our patients are sicker than provincial averages. These factors are all proven to have an impact on hospital service utilization and in turn the cost of operations. Although the new hospital funding formula proposed by the joint policy and planning committee does take some of these factors into account, it does not, as the previous speaker was saying, sufficiently recognize the realities of northern Ontario.

In addition to an aging population, we, like other hospitals, are facing cost pressures from a number of issues, and I'll highlight just a couple of them.

Employment contract settlements: given the shortage of trained health care workers, nurses as an example, this is not a surprising phenomenon. At the Sault Area Hospitals, these costs will increase by at least 3.5% per year over the next three years. Given that salary costs are over 70% of our total budget, this will have a substantial impact on our operations. A compounding factor is that our local cost increases typically are higher than the provincial averages, due to the age and experience of our workforce. I hold out the most recent Ontario Nurses' Association agreement, where the average cost increase across the province will be 10.8%. At our hospitals it'll be 13.8%, and that's due solely to the experience of our nurses.

Drugs and supply costs: the costs of drugs and medical supplies continue to rise at a rate much greater than general inflation, and they have averaged approximately 12% a year since 1997-98.

Utility cost increases in the double digits: we, like many other organizations, are incurring significant utility cost increases, and it is expected that with the electrical market deregulation in May 2002, this already troubling situation will get worse.

Payments to physicians: more and more hospitals are using global dollars to pay physicians to ensure that the appropriate medical coverage is provided to a community. I will address this in a little more detail later on in my presentation.

A further cost pressure faced by all hospitals is that of funding for priority programs. These are programs the government has established as a key priority to the residents of Ontario and for which there are specific dollars made available. I hold as a case in point here our end-stage renal dialysis program. This program was established in 1996-97. The cost per case at that time was \$199.50. Today, 2001-02, the cost per case is \$199.50. Just taking CPI as an indicator of inflation, that's costing us half a million dollars a year in the current year.

My final point here is the point of predictable funding. In order for hospitals to make strategic decisions for the longer term, there needs to be predictable funding. Hos-

pitals need to know what their funding is and what it will be for the predictable future—I hold out the next three years—and they need to know that before they begin the period for which they are being funded rather than receiving annual funding allocations well into the fiscal year, when it's too late to make any substantive or longer-term changes.

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As a case in point, we're still not certain of what our funding will be for this fiscal year, a fiscal year which will end about one month from today. The current approach to the funding of an \$8-billion industry is destructive and does not lead to creative solutions for the longer term. Rather, it leads to a very corrosive debate between hospitals and the government and it leads to short-term balancing actions that have longer-term negative impacts. I would submit that the current severe shortage of health care professionals in Ontario is in part a result of the current funding system.

I also believe that the Minister of Health has heard and understood this message, and I was encouraged to hear him say to the members of the Ontario Hospital Association in November 2001 that balanced budget legislation would not apply to hospitals until multi-year funding was in place.

If Ontario wants creative approaches with a longer-term benefit, then hospitals need to be given rolling three-year funding envelopes with which to work. Through this approach, the health care system will be able to begin to put in place those strategies which will ensure a viable and effective health care system for today and for tomorrow.

The Sault Area Hospitals recommends that operational funding for hospitals be increased by at least 8% on a provincial basis, just to meet the current service levels; that operational funding take into account the impacts of inflation and an aging and growing population; that hospitals be provided with a rolling three-year funding envelope; that hospitals receive their funding prior to the beginning of the period being funded; and that the unique issues of operating in northern Ontario be factored into a new fair and transparent hospital funding formula.

The second category I'd like to cover is the need to finance capital and information technology requirements. It's been documented that the capital needs of Ontario hospitals exceed \$7 billion over the next five years. Even with the most optimistic fundraising assumptions it's estimated that the capital funding gap is still between \$2.4 billion and \$5.4 billion. This, combined with the current Ministry of Health capital budget for hospitals of \$200 million, leads to a very significant funding gap.

Investing in capital—i.e., facilities, medical equipment and information technology—has not been adequately addressed in the way hospitals have been funded to date, both in terms of the amount of funding and the way funding has been provided.

In coping with several years of funding reductions, hospitals have postponed needed investments in these areas so that the limited available dollars could be used at

the bedside. In addition, hospital restructuring costs have not been fully funded, which again has eroded the amount of funds available for other capital investments and indeed day-to-day operations.

Our local situation is similar to that of many hospitals across the province. In December 2001, the minister announced the government's support for a new hospital on a new site. This was based on the evidence provided by our hospital that this option would provide the most positive patient care and financial benefits. The estimated cost of this hospital is over \$180 million, and under the current funding model it is estimated that the community's share would have to be in excess of \$50 million. Given the current economic environment in the community, it's not realistic to expect that this community, through tax levies or fundraising, will be able to raise its entire share of capital costs without the hospital being able to use the benefits from operational savings to finance the debt required to fund that gap. Even our current projections cause us some concern regarding community support for future medical equipment needs, given the large draw on the community for our new hospital.

I came to the hospital industry in April 2001 and I have been struck by the lack of investment in information technology in this industry. Although new technology is one of the driving forces of change and improved patient care, the government does not provide up-front funding for the acquisition of information technology to hospitals. As a result, hospitals have not had the needed funds to make the required IT investments.

We have estimated that our IT costs over the next five years will be about \$20 million. Given the current demands on our budgets, the current service levels and our current funding, our reality is that we cannot afford even a fraction of this amount, which will result in a less efficient and less effective health care system for our community.

Reliable and current medical equipment is key to quality patient care. However, as a result of the funding constraints and operational cost pressures, investments in this equipment have been limited over the past number of years. The result is a fairly significant gap between our medical equipment requirements and the amount of funds we have for this equipment.

Without the required capital, medical equipment and information technology investments being made, the effectiveness and efficiency of the health care system in Ontario will continue to erode. Here again we have three recommendations: that the current capital funding model be revised to lower the amount of community investment required to a maximum of 10% from the current 30%; that there be a substantial increase in the amount of capital budgeted for hospitals in order to get on with the substantial physical redevelopment work that's required across the province; that specific funds be made available to support the medical equipment and information technology needs of hospitals and that this funding be made available in rolling three-year funding envelopes.

As part of its our revised operating plan for 2001-02 and as part of our business plan for the upcoming year, we've identified for the ministry system issues totalling over \$11 million. These are issues which are largely beyond the control of our board of directors but have a direct impact on our operating costs. The key issues are as follows.

The lack of the appropriate number of nursing home beds in our community: without the right number of nursing home beds, people no longer requiring hospital care but still requiring nursing home care continue to reside in a hospital. Without the right number of beds, we just can't move them anywhere. We can't send them home; the risks of doing that are too high. The result is the congestion of hospital beds, excessive hospital occupancy, which at times exceeds 95%, patients being admitted to the emergency department, the use of overflow beds and a constant moving of patients. The result is higher risks, higher costs and less than optimal patient care. We acknowledge the efforts being made by government to add nursing home beds to the system; however, in the interim hospitals are forced to absorb the costs associated with the lack of these beds. As a case in point, it will cost us \$2 million this year, just for that one issue.

The extra costs of having to operate two antiquated physical plants: this is our local situation. The studies we've conducted have concluded that it's costing us \$1 million a year more than it would cost us in a new facility. The reason that is important is that our funding has also been reduced to reflect HSRC recommendations.

The lack of appropriate funding for our oncology program: this is a program which has grown by leaps and bounds in this community over the last five years. However, the funding to support this program has not grown at the same rate. Recognizing the importance of the oncology program to our community, the ministry has approved a regional cancer centre when our new hospital is built. We have also entered into a joint venture agreement with Cancer Care Ontario and the group health association for the development and operation of an interim cancer centre until the new hospital is built. Based on the work we completed as part of that initiative, we've identified a shortfall in funding of \$1.3 million in the current year.

I spoke about the lack of the appropriate number of health care professionals a little bit earlier. This is a provincial issue which has been well documented and, as I mentioned earlier, is due in part to the way hospital and the health care system have been funded in the past—more of a short-term rather than a long-term focus. Today, in Sault Ste Marie we have estimated that we are approximately 19 physicians short of what a community of this size requires. This number includes a range of specialties and five family physicians. You will have read about our emergency crisis, where if not for the understanding and commitment of the physicians, we would not have had coverage in our emergency department beginning February 1 of this year. This is still a real pos-

ibility if the situation is not addressed in short order. However, we are making positive strides there.

As a result of the physician shortage and the lack of appropriate action from the government—which we would submit is responsible for ensuring the appropriate supply of physicians to communities—hospitals and indeed municipalities have been forced to tap into their operating funds to pay physicians in order to offer incentives to attract them to our community and to ensure appropriate medical coverage.

This year we will receive half a million dollars from the ministry for physician-related issues. Our latest estimates are that it will cost us nearly double that to deal with the impact of not having a sufficient supply of physicians in the community. We cannot afford to continue using our global funds for these types of items. However, lacking a provincial strategy to address the shortage of health care resources, hospitals will be left with little choice.

Given the time, I think I'll just move right to the recommendations. Our recommendations here are:

That the government ensure that the appropriate number of nursing home beds are available in the system and that until such time as these beds are in place, hospitals receive funding to compensate them for the added costs of having nursing-home-type patients in hospital;

That the government provide one-time funding equal to the added costs of operating existing facilities until new and/or renovated facilities are in place;

That an appropriate cap on operating funding be put in place for oncology programs across the province;

That sufficient funding be allocated to resolving the issue of the shortage of medical professionals across the province;

That appropriate steps, including the legal or policy prohibition of hospitals using operating funds for these purposes, be taken by government to address this critical issue in both the short term and the long term; and

That an innovation fund for health care be established in an amount sufficient to support research and implementation of innovative approaches to health care.

In the paper that you have, you will also note some of the impacts of inaction, and I will try to highlight just a couple of them: hospitals will be forced to incur larger deficits and debt; there will be a significant erosion in the working funds position of hospitals; and hospitals will be forced to cut services.

In our case, our board has taken the position that we have driven the efficiencies out of our system and we are not in a position to cut services, nor will we cut services without an operational review. However, just to highlight what the impacts would be of balancing our budget next year, it would mean reducing 20%, or 60 beds, out of our operation. It would mean a reduction of about 20% of our workforce. It would mean cutting our outpatient services by two thirds. I would submit to you that in all cases these would not be true savings. The costs would simply go somewhere else in the system: to Sudbury, London, Toronto. The patients still require the care. The other impact would be that there would be an inadequate capacity in the system to deal with the health care needs of the province.

I think I'm over time.

The Chair: No, you can finish. Go ahead. I'll give you a couple more minutes.

Mr Gagnon: The conclusion is that the sustainability of health care is a key concern for residents of Ontario. The system is experiencing unprecedented financial and service pressures that, without a substantial commitment from government vis-à-vis operating costs, capital needs and system issues, will lead to a significant deterioration of the Ontario health care system. I urge you to take quick, positive action to ensure a sustainable and effective health care system for the residents of Ontario.

The Chair: Thank you very much for your presentation this afternoon. We've used the time and a little bit more, but we did receive a call that the next presenters won't be able to make it. They were involved in an accident. There were no personal injuries, but they won't be able to make their presentation this afternoon.

That will conclude the hearings in Sault Ste Marie today.

Mr Martin: I want to just thank everybody for coming and taking the time to hear from our community and people from Algoma. I personally, because I won't be with you, wish you well in your further travels.

The Chair: Thank you very much. It's always a pleasure to visit other communities outside Toronto, I must admit. I'm sure the committee does enjoy it.

This committee is recessed until 10 o'clock tomorrow morning in Windsor.

The committee adjourned at 1654.



STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Second Session, 37th Parliament

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finance and economic affairs**

**Comité permanent des finances
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Pre-budget consultations

Consultations prébudgétaires

Chair: Marcel Beaubien
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 26 February 2002

Mardi 26 février 2002

The committee met at 1001 in the Hilton Windsor Hotel, Windsor.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Marcel Beaubien): Good morning, everyone. I'd like to bring the standing committee on finance and economic affairs to order. This is the second day of the pre-budget consultation.

CANADIAN AUTO WORKERS
CHILD CARE SERVICES

The Chair: Our first presentation this morning is from the Canadian Auto Workers Child Care Services. I would ask the presenter or presenters to please come forward. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Ms Heather Boyer: Welcome to southern Ontario. CAW Child Care Services, which began in 1989, began in partnership with the Canadian Auto Workers union, the Big Three corporations and government, with a vision that child care is a right of all Canadian children, that child care is a public good and support for working people and their family responsibilities. As an organization, CAW is both a founding and active member of the Ontario Coalition for Better Child Care. We believe in and support the coalition's mandate to advocate for the development of high-quality, non-profit child care services in Ontario.

The Ontario Coalition for Better Child Care has already made a presentation in Toronto. We're going to be providing highlights from their report, a little bit of what we think as an organization and also to mirror some of the recommendations that the coalition has put forward already.

Mr David Christopherson (Hamilton West): We haven't heard them yet.

Ms Boyer: OK.

Over the past decade we have closely watched as the government of the day made promises to child care that never materialized. The current environment in Ontario has seriously affected the accessibility of child care services and threatens to destroy an entire system that was once envied by every province in the country. Although the Ontario government maintains that it is spending more on child care than any other previous government,

the actual child care expenditures, based on analysis of provincial allocations, show a reduction of almost \$100 million from 1995 to 2001.

We have seen a changed Ontario since 1995 with major impacts on communities all across the province.

Municipal downloading: the transfer of child care costs, promised at 100% to municipalities, was suddenly deemed an interim measure and withdrawn by the province. We do not believe that the municipalities should be a major funder and supporter of child care. They simply don't have enough revenue from property taxes and provincial transfers.

Child care in schools: the province's new education reforms do not recognize child care in schools as legitimate school expenses. Therefore, 40% of all child care programs that exist within schools have now faced eviction, increased rental costs, reduced space and no capital funding to relocate.

Changes to OSAP regulations: removal of parents from social assistance if attending post-secondary education and the elimination of the child care bursary have created a situation where parents graduate with untenable debts and are the only parents expected to borrow in order to pay for child care.

Pay equity: while legislation mandates that child care programs continue pay equity adjustments beyond 1998, the province refuses to flow additional money to meet this obligation. The impact on child care programs is to either accumulate debts that will become unsustainable or directly contravene the statute and not pay the adjustment to workers who deserve it.

Ontario Works child care: this is the first public policy in Ontario to determine that the children of welfare recipients will be limited to unmonitored care due to lack of municipal funding. As a result, some of our neediest children are being placed at risk. More children have died in unregulated child care settings than Ontarians have died from flying truck tires on our highways. Yet the province has hired 54 new inspectors to monitor our highways and not one inspector to monitor unregulated, unmonitored private child care settings.

The same things we have been talking about for over a decade have not changed; we have watched as regulated child care has either diminished or faded away. The federal government has all but withdrawn from social policy, the provincial government has turned back the clock decades and made reductions not seen since World

War II, and municipal governments, now responsible to make crucial budgetary and operational decisions that were never before their responsibility, are in a state of turmoil, creating child care plans with no cohesion across cities.

High-quality child care programs such as the ones CAW Child Care Services offers have high adult-child ratios, consistent caregivers, small group sizes, appropriately trained and compensated staff, and adequate physical environments. These elements of quality child care depend on adequate public funding, non-profit delivery, parent involvement and enforced regulatory standards. We know from volumes of research, some even commissioned by the provincial government, that the early years are too important to waste on a patchwork of disjointed and diminishing services available in Ontario today.

Child care at the international level has received policy attention in recent years as policy-makers have begun to realize that access to high-quality early childhood education and care can strengthen the foundations of lifelong learning for all children.

Transforming knowledge into action is the key. A system of child care in Ontario will support healthy child development, foster economic growth, create jobs, reduce child poverty and homelessness, and invest in the future workforce.

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Along with the Ontario Coalition for Better Child Care, who in their 20th anniversary brief provide highlights from the analytical study by the Organisation for Economic Co-operation and Development, we strongly support the following recommendations.

(1) A systematic and integrated approach to policy development and implementation: we must move away from a targeted, subsidy-based system to a publicly funded system.

(2) A strong and equal partnership with the education system: Ontario must devise a system that integrates the current child care system under the Ministry of Community and Social Services with kindergarten under the Ministry of Education and includes a continuum of family support systems.

(3) A universal approach to access, with particular attention to children in need of special support. Ontario must move from a system completely void of equitable access to a plan for universal access. We believe that access to child care should not be based on either a high-income earner or a very fortunate low-income fee subsidy recipient.

(4) Substantial public investment in services and the infrastructure. Ontario must set a goal to match that of the European Union on spending 1% of GDP on ECEC services. This can be done by restoring regulated child care funding to pre-1995 levels and by showing leadership, with the federal government urging an appropriate federal role and substantial funding for ECEC within a national policy framework.

(5) A participatory approach to quality improvement and assurance. Ontario must strengthen its legislative, regulatory and consultative role to ensure that best practices in ECEC programs become the norm. Both physical and human environments for children must be appropriately funded and sustainable.

(6) Appropriate training and working conditions for staff in all forms of provision. Ontario must immediately restore funding to achieve pay equity for ECEC teachers and move their wages from close to the poverty line to a more deserving wage of a workforce with post-secondary education.

(7) Systematic attention to monitoring and data collection. Ontario needs a plan for providing up-to-date information about ECEC and a sustainable long-term research agenda.

(8) A stable framework and long-term agenda for research and evaluation. Ontario must remain at the forefront of new research, act upon new research that supports key elements of ECEC, fund research at the government and non-government levels and share the results with the community.

The Chair: We have approximately two minutes per caucus, and I'll start with the official opposition.

Mrs Sandra Pupatello (Windsor West): Thanks so much for coming today. We appreciate the comments you've made, in particular those changes since 1995 that have impacted on children in this area. We're going to hear from a number of those groups today.

I wanted you to give me a bit of a rundown on what you've seen, particularly in your child care area, in terms of the effects on families and those who are struggling with the costs associated with the various additional payments that the child care agencies are being required to pay.

Ms Boyer: For an agency like ours, I can tell you that we have 250 children waiting for service today who cannot access our child care program. There are 800 children in our area who require some sort of mental health intervention, with one part-time child psychiatrist to service the children who need it. We have families who watch as the child care fees increase and the subsidy criteria tighten. Parents who were able to access subsidy before, so they could go to work or to school, no longer qualify for subsidy because the government has tightened the criteria for subsidy guidelines.

Mrs Pupatello: Can you give me an example of the fees that the families are paying?

Ms Boyer: Currently it's \$46.10 a day to access infant or toddler child care at our municipal centres, and there are recent reports out now that those fees will be increasing in the very near future.

Mr Christopherson: Thank you for your presentation. First, I'd just like to underscore something that you've done a magnificent job of accenting, and that is, the real threat that exists to children in unregulated. For most people it just goes right by; it doesn't stay. The fact that you've tied it to how many people have died from flying truck tires and then pointed out that there are 54

new inspectors to monitor that, and nothing happening—in fact, there are increasing numbers of unregulated child care spaces—is really important.

I believe the average person thinks of unregulated as Aunt Martha down the street who will take in the kids and everything's fine there, and the two families are all but one and the same. What they're not thinking of is somebody who is just desperate, who doesn't have family around, who will take anybody who is taking kids in. They may or may not know them that well and, even if they do know them, that doesn't guarantee they have the skills and ability. They may have situations there that are unsafe for the kids. It's just such a huge issue, and this is the best I've ever seen it put, so I congratulate you.

I have one quick question, if the Chair will let me squeeze it in. You make the statement, "Although the Ontario government maintains that it is spending more on child care than any previous government, the actual child care expenditure based on analysis ... shows a reduction of almost \$100 million from 1995 to 2001." Could you just expand on that for us, please?

Ms Boyer: We were finding that the per-child amount that was being invested in children at 1995 levels was severely reduced in increments each year the Conservative government has been in power. The actual spending that the government spends on each child in this province has been reduced so that the number of children who require care has amounted to \$100 million. That's an actual reduction that we haven't seen since World War II.

Mr Ernie Hardeman (Oxford): Thank you very much for your presentation. I want to clarify the comments that you just made about the reduction. What you're suggesting is that the government's budget figures are correct, that more money is being spent on child care in total, but if you take that over the number of children who are involved in daycare, in fact, per child the amount hasn't gone up but total spending has gone up.

Ms Boyer: No, that's not true. Those figures are not correct.

Mr Hardeman: We should inform the Provincial Auditor of that, because he believes they are correct.

Mr Christopherson: Let her expand on that.

Mr Hardeman: It's my time, Mr Christopherson, thank you very much. You used yours; let me use mine.

I was just wondering if you could tell me about the CAW's involvement in child care. Are they financially involved in providing daycare for the children?

Ms Boyer: Yes, they are.

Mr Hardeman: The last question: in your first point, "A systemic and integrated approach to policy development and implementation. We must move away from a targeted, subsidy-based system to a publicly funded system," you're suggesting that we should have universal daycare that would be available to everyone equally, regardless of their income?

Ms Boyer: That's correct.

Mr Hardeman: They could send their children, just like in the education system?

Ms Boyer: Just like the model we're seeing right now in Quebec.

Mr Hardeman: So there should be no difference. Whether parents could afford to pay for daycare or whether they were low-income people, everyone should get the same service. We should take the money and spread it to more people, so the needy would not have the high quality of care.

Ms Boyer: Well, we've already seen a reduction in the amount of money spent on children in this province, so I wouldn't recommend taking the current amount and spreading it out to more people. It's very clear that the system has not gained over the past six or seven years. The children have lost money within the overall child care budget.

I have a chart here on Ontario's spending for regulated child care between 1942 and 2001. At 1994-95 levels, we were at \$564 million. Now, in the current child care budget in Ontario, we're at \$470 million. That's the reduction I was referring to earlier.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

1020

UNIVERSITY OF WINDSOR STUDENTS' ALLIANCE

The Chair: Our next presentation this morning will be from the Canadian Auto Workers Student Centre, University of Windsor. I would ask the presenter to please come forward.

Interjections.

The Chair: Let's have a bit of order, please.

Could you state your name for the record. On behalf of the committee, welcome.

Mr Enver Villamizar: Thank you. Actually, I'm here on behalf of the University of Windsor Students' Alliance. That's a typo. We're the representative organization of the full-time undergraduate students at the University of Windsor. My name is Enver Villamizar and I am the president.

I'm going to start my presentation just by reading off a portion from a United Nations document.

"The states parties to the present covenant recognize the right of everyone to education. They agree that education shall be directed to the full development of the human personality and the sense of its dignity, and shall strengthen the respect for human rights and fundamental freedoms. They further agree that education shall enable all persons to participate effectively in a free society, promote understanding, tolerance and friendship amongst all nations and all racial, ethnic or religious groups, and further the activities of the United Nations for the maintenance of peace.

"The states parties to the present Covenant recognize that, with a view to achieving the full realization of this right:

"Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means,

and in particular by the progressive introduction of free education.

"Fundamental education shall be encouraged or intensified as far as possible for those persons who have not received or completed the whole period of their primary education."

The reason I begin with this covenant, of which Canada is a signatory, is to illustrate the fact that this was the stand of the Canadian federal government. It agreed to take a commitment ensuring that its people's rights were respected.

At this time it is clear that both the federal and provincial governments have no interest in fulfilling this commitment. In fact, the situation facing students wanting to attend post-secondary education has gotten much worse year after year since 1972.

The most serious cuts of government funding came in 1995 with the change of the Canada health and social transfer. As a result, the province cut \$400 million from post-secondary education. As a result of this systemic underfunding, it is students who have faced these cuts head-on. University administrations have passed the buck on to students, mainly in the form of tuition increases.

When Dianne Cunningham, the Minister of Training, Colleges and Universities, said she felt that 35% of their university education was an acceptable amount for students to pay, students at the University of Windsor were paying 47%. Since that time, the percentage we're paying has gone down, but the raw numbers in terms of cost of tuition have gone up. Since the time that statement was made by Ms Cunningham, a general arts degree has gone up by \$400 a year. That's just a general arts degree; that doesn't include those programs which have been deregulated.

In other words, percentages are masking the real costs of the constant cuts to base operating grants to post-secondary institutions. Study after study is confirming what common sense has always told us: as costs rise, students are less likely to attend post-secondary education due to their lack of financial means.

Since 1980, tuition has increased close to 200% in Ontario, after adjusting for inflation. In that same period, average family incomes rose only 1% after inflation. Young people from high-income families were 2.5 times as likely as those from low-income families to have participated in university education in 1998 or before. That's from a recent Statistics Canada study.

The main issue here is that in many cases students are being faced with insurmountable challenges in order to obtain what is theirs—an education. The minimum wage for students has not increased substantially since 1995 and, generally, labour laws have been relaxed, which makes it easier for employers to demand more hours of work at the same or lower rates of pay.

With government grants shrinking and the economy also entering a serious recession, Ontario's youth will be the ones who suffer worst. What is most ironic is that most of the cuts were carried out in the name of debt and deficit financing, and the need to balance books. In 1998,

when the provincial government claimed they had done so, we thought that money would be invested back into the system in order to make up a lot of the cuts that took place, but this was not the case.

Meanwhile, since the cuts began in the name of debt and deficit financing, it's been basically OK for students to bear the brunt of this in the form of debt and deficit financing. On one hand, you have the government saying that fiscal responsibility is very important. On the other hand, you have the government saying it's OK for students to bear humongous debts before they even enter the workforce.

What we're trying to point out here is that the commitment which our government made, our country made, to deal with the rising costs of education has not been considered by politicians. Instead, the opposite has taken place. Nowhere can it be said that students are now more able to attend university or college. Instead, the opposite is true.

It is widely held that a university education is a requirement to get a job in today's economy; therefore, those who cannot obtain a degree or diploma will quite likely not be able to obtain a job that will provide a wage that will allow them to live a stable life. Those who cannot attend will not be just those who do not have the academic qualifications. It will not only be those students who can't afford to go; it may also be those students who will not be accepted by the university of their choice due to the current lack of space which most universities are facing.

The provincial government has claimed that there will be a seat for every qualified and motivated student in Ontario in time for the double cohort. For us, though, this does not simply mean that there will be a seat for every qualified student. Under current circumstances, we don't even have enough seats for these students right now. Classes are packed and many students are unable to register in required courses due to class sizes. We feel the commitment the government should make is that the government is committed to a quality post-secondary education for every qualified and motivated student, not just a seat.

This year, for example, our university saw a 10% increase in enrolment—that's the University of Windsor—up 3% from what we had projected to the government. We were attempting to buy into the government pressure to increase enrolments in order to receive funds that we used to receive *ipso facto*. When we grew more than we expected, we thought this would mean we would receive enough funds to provide at least the current level of quality to those extra students which we hadn't projected. This was not the case. Instead, we were actually penalized for taking in too many students because the number of students we took in was above our 7% projections.

Now, the government can claim, "We made the promise that the money would be there in the year of the double cohort," which would be 2003-04, but studies are showing that students are actually entering university before the double cohort in order to miss it. We're taking

in some of these extra students, and what's taking place now is that we're actually getting penalized.

We feel that it is absolutely necessary that this be taken into account in next year's budget and that the funds that are allocated in the double cohort year be allocated on a basis whereby if certain universities are taking in students early, they also receive those funds; they don't have to wait until 2003 and ask their board of governors to enter into deficit financing or simply cut other programs in order to fund the extra students.

With respect to student financial assistance, it is the opinion of the UWSA that student loans are not a solution to the problem of the increasing costs of education. Many students are unable to access the limited pool that currently exists, which has not kept pace with the increasing fees as a result of outdated and unrealistic assessment criteria for financial need. Students must prove they live in poverty in order to receive funds they require to go to school and then live in poverty while studying.

In 1993-94, the Ontario government cut virtually all forms of grants to students, thereby forcing them to rely solely on repayable loans. Canada is one of only two OECD countries without a national system of grants.

Since the time that the major cuts to student financial assistance took place, the government has also disqualified part-time students from OSAP eligibility. They forced students with parental responsibilities on to OSAP by terminating their eligibility for social assistance. They have dismantled child care bursaries and made other changes which have made it harder for the students who most require loans to get them.

It is our opinion that the government should restore OSAP funding for part-time students. They should restore child care bursaries for students with dependants, restore access to social assistance for students with dependants and revamp parental contribution and dependency requirements to reflect current student realities.

It is our opinion that the money which has been taken out from student financial assistance should be used to re-establish a system of needs-based grants. As the costs of education have risen and family income has not, it only makes sense that student financial assistance should be made more accessible, not less.

One final issue with respect to student financial assistance: in 1995, a program was created called the work-study program. Initially, it was created with government dollars, which students appreciated because it did create work on campus. But since that time, the program has been expanded to use money from tuition increases, whereby in any given year, if a university chooses to increase its tuition, 30% of that increase in tuition must go back into the work-study program.

I want to give some examples at the University of Windsor. The pool of money this year has added up to \$1 million. The total since the inception of the program has been \$4,200,000. Basically, this equals out to a \$400 contribution per student for this fund. So what's actually taking place is that students are paying for their own

financial assistance. These work-study students have no rights as student labourers on campus. They're used to doing clerical tasks and work that office staff should be doing, who in some cases are unionized and in other cases aren't. The students on the campuses are pitted against unionized labour, whereby if there are retirements or vacations, work-study students are used to fill these spots. Furthermore, most students would rather have a grant, which did exist in the past, as opposed to having to work for the same money that used to be part of the system.

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In terms of research, the University of Windsor has had a great amount of experience with the new funding practice of the government, which forces universities to seek private approval in the form of donations for research as well as capital projects. These are called partnership endeavours.

Universities have had to allocate operating grant money to hiring individuals to seek out private sponsorship. We consider this a loss of money that could be going to students. This effectively, though, has given the private sector veto power over many areas of research at universities. As a result, students and taxpayers pay for infrastructure, lighting, professors and graduate assistants on a continual basis, while the private sector pays one-time donations for research, which increases their profits in the short and long term. It is our opinion that research dollars would be better put to use if universities were allowed to select their own type of research, which best suits the needs of society. If the private sector would like to fund research which is being carried out at a university, that is not the issue I'm having problems with. But new government funding for research should not be made conditional on private sector support.

We had an experience at the University of Windsor where, for example, they say they're going to create new programs in order to meet the needs of the emerging private sector interests. For example, at Windsor we had the program of physics and high technology, which was created because DaimlerChrysler, Mitel and Fitel saw that they had a need for research and space technology. I have no problem with research and space technology, but when it's student dollars that are being used to fund this kind of research for a limited number of students for these companies, I do have a problem with that.

Generally, we would like our government to set aside a plan as to how they are going to fulfill their commitment spelled out in the UN covenant. We are not asking for free tuition at this time. What we are saying is that governments have a responsibility to look out for the well-being of their members, in such a way that the standard of living improves for Canadians and Ontarians. It is our contention that the economy of Ontario has the natural and human resources to fulfill our rights, not only to education but to all other aspects consistent with a modern society. We know that many countries much smaller in size and economy are able to provide a high

level of post-secondary education at minimum to no cost for their youth.

We recommend that federal and provincial governments establish a multi-year plan on how they will address this issue, and bring forward real solutions. A completely accessible education system, in our opinion, is a requirement for Canada—and Ontario—to claim that it is a modern and developed nation. If the level of education of the whole of society is not considered important in determining the advancement of a society, then what is?

The Chair: Thank you very much. We have approximately a minute and a half per caucus.

Mr Christopherson: I was interested when you said that some universities are being penalized by the fact that some double cohorts are trying to get in a year early to avoid the rush and the crush. Could you just expand on that? I didn't quite catch why they're being penalized.

Mr Villamizar: The provincial government changed the method by which they funded universities, and said it would mainly be based on enrolments, as an incentive to encourage universities to create more spaces based on the monies that they had. So our university said, "Fine, we're going to go for those increased dollars based on enrolment by projecting a 7% increase," which we weren't even sure that we would get. But the way things went, we ended up receiving a 10% increase. The government promise was that you'd receive money for each qualified student who wanted to enter. But they had set aside a block of money, not money per student. If more students came, it was still that same block of money. So Windsor was in a situation where we said, "You told us to increase enrolments. We've done so. We're 3% over now. If we don't get money for these extra students, money from the 7% will have to go to them, and the level of quality across the board is going to diminish."

Mr Christopherson: What if the university had set 10% and they hit 10%?

Mr Villamizar: If they had set 10%, then we assume they would have gotten the money that they are now getting for that 7%.

Mr Christopherson: The same money?

Mr Villamizar: No, more money, because they had projected higher enrolment.

Mr Christopherson: So it's all based on projections rather than actual? Is there not a rationalization at the end of the year, based on projected and actual?

Mr Villamizar: They're based on projected as well as current enrolments. So as long as you can show that based on current enrolments, this is a reasonable increase, then they approve those numbers. We had 7% approved, not 10%. But as things went, again, we received 10%, which would make sense as students would start—

Mr Christopherson: Conversely, if you had only hit 5%, there would have been a reconciliation the other way at the end of the fiscal, wouldn't there?

Mr Villamizar: Yes.

Mr Christopherson: But there isn't on the upside?

Mr Villamizar: No, it doesn't seem so. They're basically saying, "Plan for receiving the money in the year of the double cohort, and then either run a deficit or cut other programs in order to ensure those students can be educated."

Mr Joseph Spina (Brampton Centre): Thank you Enver. The purpose of these meetings is obviously to get input such as yours, from your student perspective. Along with a couple of others here, I'm also an alumnus of the university.

There seems to be a little bit of a contradiction, if you could maybe clarify that for me. You were just talking with Mr Christopherson about the increase and the unexpected enrolment. Enrolment has been increasing over the past few years, quite steadily. I guess what I'm trying to understand is that in your earlier comments you indicated that because of various funding reasons, whether it's OSAP or funding, the cost of university is getting out of hand and it's limiting access. To me it sounds like a contradiction. If it's becoming too expensive to go to school, then how come enrolments are rising, on average, 5% to 10% every year?

Mr Villamizar: Actually, it's quite simple. The reason is because the demographic has increased. The proportion of students from low-income families is decreasing; the raw numbers of students applying to university are increasing because there are more students that age in the demographics in Canada. So what we're seeing is not that the numbers are dropping; it's that who's going to university is dropping. So students from low-income families, again, and even mid-income families, are the ones who are being left out, while students from higher-income families are the ones who are having an easier time. There are students from low-income families who are able to access it through the student loans program but, again, they graduate with \$40,000 in student debt, and that can't be considered a progressive method of graduating from university, already starting out with a mortgage-sized debt.

Mr Spina: If I drew the example of a proportional amount of income versus the amount of student debt, when I finished in 1973, I owed the government almost \$9,000. My starting salary was \$8,500. Most graduates today with that high a debt would likely come out of a business program, as opposed to a liberal arts program, and should likely be able to get a job in the \$30,000 to \$35,000 range. Isn't that proportional?

Mr Villamizar: If that were the case. But, for example, computer science students have had deregulated tuition. The government has said basically, "Universities, double your enrolments in computer science." So Windsor took in double the enrolments in computer science. Now all of these students are not able to find jobs upon graduation, because the market has dropped out. So in the ideal situation, if those jobs were available, that would be the case, but that is not the case currently. Using computer science is a pretty good example; law school is another example where, if you want to pay back your

debts, you're forced to go work on Bay Street. You cannot do anything else.

Mr Spina: But on the other hand, the government—

The Chair: We've run out of time, Mr Spina. I have to go to the official opposition.

Mr Monte Kwinter (York Centre): Enver, thank you very much. I was interested in your comments about the double cohort and the fact that even now there aren't enough seats for students, and that because of the desire to get in before—we were in Sault Ste Marie yesterday; we heard that there's going to be a real problem to accommodate these students.

The funding is based on a full-time equivalency. Even though there's some capital funding to build more space, there doesn't seem to be any funding to operate, operational funds. Have you looked into that and do you have any feelings about what that impact is going to be?

Mr Villamizar: In general, over the system, there aren't enough operating grants, but the main problem we're noticing at Windsor is that certain programs have been focused on while others have been left. So even if there were enough operating grants, the smaller programs are still going to have the enrolment problems, the faculty-to-student ratio problems, because of the targeting funding that the government has used to support only certain programs. So in general across the system there are some areas which are going to have very good faculty-to-student ratios, but those are going to mask the smaller programs, such as English, history and visual arts, which are not going to get the operating grants even though they may be there. They're going to be funnelled into programs other than those which really need it the most.

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Mr Papatello: A quick question: Enver, you've done a lot of work to advance the case for students over the last several years while you've been at the U, so we thank you for that. I've been dealing in my office with a number of OSAP issues and students who, but for one little regulation in relation to owning a car, for example, and the idea that they have to sell off everything, including their means of transportation to a part-time job to pay the various costs that they have to live and go to school—they've become just untenable for students to continue.

I don't know if you've got a really quick ABC list of the changes that we have to get through OSAP immediately, because the regulations may have been well-intentioned—and I'm going to give them that because I don't know that they've been—but the OSAP rules, regardless of the costs total, which are just going through the roof, are literally throwing people out because of certain regulations that are impossible for students to get over. The ownership of a car and the requirement to sell everything is just untenable for people who have to work these days in order to go to school and can't get from job to school to child care etc.

Mr Villamizar: I guess the most important recommendation I would give is that the assessment criteria for

needs be completely reassessed with massive input from those students who feel it most, because yes, the intentions were good but a lot of students are falling through the cracks. It's not students themselves who are setting a lot of these regulations, or at least able to make recommendations. I don't necessarily just mean the representative groups, but that focus groups should be set up at different universities saying, "Why are you falling through the cracks?" because there are a lot of students who really do require the money who aren't getting it and are having to take out personal loans and credit card debt.

I'd say first it's just a revamping of the whole assessment system based on focus groups in universities where students can say, "Here's why I'm falling through the cracks." I think the biggest problem is that the government does not know how many students are falling through the cracks, whereas if we had these focus groups you could kind of get a litmus test as to how bad the situation is getting. But the requirements, for example, on parental income, that if your parents make more than \$60,000 a year they should pay for your full education—someone making \$60,000 in Toronto is not someone making \$60,000 in Windsor; and \$60,000 in the year 2002 as compared to when those numbers were set isn't the same either. So there's a need to revamp that whole assessment system so that it's more modern and takes into account current realities.

The Chair: With that, I have to bring it to an end. On behalf of the committee, thank you very much for your presentation this morning.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

The Chair: Our next presentation is from the Greater Essex County District School Board. I would ask the presenters to please come forward. If you could state your names for the record, on behalf of the committee, welcome.

Mr Tom Kilpatrick: I'm Tom Kilpatrick, the chairperson of the Greater Essex County District School Board.

Ms Beth Cooper: Beth Cooper, trustee and chair, finance and operations.

Ms Mary Jane Gallagher: Mary Jane Gallagher, director of the Greater Essex County District School Board.

Ms Penny Allen: Penny Allen. I'm the superintendent of business and treasurer for the school board.

Mr Kilpatrick: I wish to begin this morning by thanking the members of the panel for our opportunity to speak to you today. We are representing the Greater Essex County District School Board. The public school board in our county is responsible for educating approximately 39,000 students in over 70 elementary and secondary schools. As such, we educate approximately 60% of the community's children.

I think you've all been given a copy of our brief with some attachments. I'm going to go through part of it to-

day, but because of the time constraint I won't be able to go through all of it.

We're here today to tell you that there is a crisis looming in education in Ontario. "Crisis" is a word which is perhaps used too often when groups approach government, but I can think of no other adequate means to describe it.

The student-focused funding model for education in Ontario was introduced in September 1998. It was flawed at that time and, while the government has made some minor adjustments, it's now completely broken. This is not just our opinion but is evidenced by the experience of the vast majority of boards in our province.

In several areas the Ministry of Education itself admits the funding formula needs dramatic repair. We have been promised a new transportation funding model since 1998, and although we hear that, after four years of frozen funding levels and our working with the ministry staff on a new model, it has moved to the back burner and is no longer an urgent priority. The ministry likewise has involved us in developing a process and data to better inform the provision of adequate resources for high-needs special education students. After years of frozen funding—but not frozen student needs, I might add—and promises that emergency dollars would flow when boards can demonstrate that a need exceeds the funding, we're now told that new funds are not going to be provided.

In a province whose economic success is linked to the skills of its workforce, and in particular in this community, which is a significant engine driving our province's economy, the education of our youngest citizens is under-resourced and in jeopardy.

This is supported by the findings of the Canadian Centre for Policy Alternatives—Ontario, which states, "Contrary to the government's claim that its formula was merely redressing inequities in the previous funding system, the data show clearly that the formula is simply a disguise for significant cuts in resources allocated to education. The total gain for previously under-resourced boards—Catholic, northern and French-language—is less than \$88 million since 1997; the total loss for other boards, since 1997, just over \$1 billion. And despite the government's claims to the contrary, the real story of the funding formula is an attack on the financial base for public school boards in large urban areas in southern Ontario—a cut of more than \$921 million in real per student terms in 1997—more than all of the cut for the whole province."

Our board is a southern Ontario public school board that has suffered greatly from the new funding model. We suffered the fourth-greatest reduction in funding of any school board in the province. Only Toronto, Peel and Ottawa-Carleton public boards lost more funding per student.

The new funding formula was designed to correct the inequities of the past methods of funding our schools. By centralizing all funding of schools into provincial hands, the theory was that education could be equitably re-sourced based on student needs and not on the basis of

local taxpayers' wealth. This will only be true if two conditions are met, the first being that the needs-based component of the formula is designed to effectively measure and respond to the needs in each region of the province; and secondly, that the overall allocation to the education sector of the provincial budget is adequate and, on an ongoing basis, adjusted to meet the consequences of inflation, enrolment increases, changing levels of student needs and, finally, changes to curriculum and the overall expectations of our schools. Neither of these conditions is being met, and in fact, the oft-mentioned increases in education funding have fallen short of the inflationary and enrolment demands alone.

For our board, this means we have moved away from a community which funded our schools at a per pupil level that was among the top 10 in the province. We are now at the point at which we receive \$6,467 per student, placing us as the 70th poorest board out of 72 boards in Ontario. In moving resources from richer urban areas to rural and northern boards, the funding formula has swung too far, leaving boards with urban needs and, more importantly, many students with language, special needs and/or poverty-based barriers to learning without the resources they need for success.

Over the past several weeks our board has been examining these issues in the areas of the funding formula which pose the greatest degree of difficulty to us. While I can't go into detail on all of these issues, in the back of our presentation a summary of my comments regarding these issues is mentioned. But I would like to briefly highlight some of these areas.

For instance, in special ed, unlike the children's mental health agencies in our community, which have a waiting list of almost 700 students, our schools cannot exclude special-needs children until there are adequate resources to meet their needs. Cuts to community supports are resulting in a higher number of young high-needs children joining our junior and senior kindergarten classes. Our special education funding has been frozen for several years, but needs are increasing. We currently spend \$1.5 million more in special education than we receive from the province. Our true shortfall, to provide what we would identify as the minimum adequate level of service, is approximately \$5 million.

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In our building renewal area, our schools are significantly older than the provincial norm. Our predecessor boards, before they were amalgamated, spent between \$6.6 million and \$9 million annually on facility renewal. Since the new model has been put in place, we receive an allocation of \$4.5 million. That's a 40% cut. We cannot keep up with the basic physical needs of our buildings, and things like upgrading science labs, technology and computer labs have become almost impossible.

Transportation: in the mid-1990s our local school boards had created a shared transportation consortium. Students from all four boards were transported in the most efficient means possible. Savings were maximized coordinating transportation policies, school start-up and

stop times, and overall school year calendars. Unfortunately, our boards led the province and did so before 1997. Since then, our board has been trapped at the 1997 funding, less 3%. We now have no ability to reasonably compensate our bus operators and the service for field trips and sporting events has suffered as we do not have spare buses available to accommodate the students.

In-school administration: keeping students safe requires that every school have a principal and secretary. The shortfall in the school secretarial area alone is \$637,000, funded by reductions in other areas of our school board's operation.

In the staff compensation area, salaries and benefits in formerly wealthy urban boards, such as the former Windsor board, cause great concern to us. We inherited higher-than-average salaries that could never be rolled back without labour unrest, yet the funding model did not recognize these circumstances. Since 1998 there has been 1.95% specifically allocated in the funding formula for raises, excluding our custodial and plant staff, who were allocated zero per cent. The consumer price index has risen 7.9% for the same period. How is this fair and equitable for our staff?

One serious concern for our board is also in the teacher retirement gratuities. In the past, these were funded in one year by the difference in salary between the new replacement teacher and the retiring teacher. The savings for the next nine years, until the new teacher reached maximum salary, were used to fund new teacher training and other alternatives. The new funding model claws back these savings immediately but leaves the boards to pay the retirement gratuities, which for our board was over \$4 million in 2000-01. The savings in clawback for the ministry since 1998 have been over \$510 million. Where has this money gone?

Funds for curriculum change: another issue that our board finds unconscionable is the halving of the special textbook grants to buy new texts for the new secondary curriculum. These funds were sufficient to buy texts for core subjects in grades 9 and 10. This year our grant was halved to buy the texts for grade 11, and yet the textbooks for senior grades are more expensive. Where is the logic in this?

Boards stand to lose more funding beginning in 2003-04, when the last OAC classes graduate. Our board estimates a loss of \$3.7 million, after reducing variable costs such as classroom teachers. We can't withstand another cut of this magnitude.

In summary, if the plan was to create a fiscal crisis in education that would be felt throughout the school system, then the plan indeed has been a great success.

In closing, again quoting Hugh Mackenzie, "There is no mystery in the chaos afflicting Ontario's elementary and secondary education system. It all comes down to funding. The Harris government's new funding formula has served as a smokescreen for a massive cut in resources allocated for elementary and secondary education in Ontario." Our board, whose per pupil funding is now

70th of 72 boards in the province, is a primary victim of this formula.

Thank you.

The Chair: Thank you very much. We have a minute and a half per caucus and I'll start with the government side.

Mr Kilpatrick: We have another speaker, Ms Beth Cooper, who is a trustee and who looks after the finance and operations.

Ms Cooper: Good morning. The provincial funding model just does not work. Our board does face significant deficits in several areas. Provincially, one half of the public boards will have operational deficits this year. The government has addressed system-wide equity by funding all boards inadequately. Reserves for working funds in the province have been depleted to an all-time low of about \$68 million, and this is significant because it requires \$73 million a day to operate the 5,000 schools in the province. In addition to the \$1.1 billion that has been taken out of board operating funds annually, there is another \$1.4 billion removed that supports the maintenance and repair of our schools.

Assuming that the funding model was correct in 1997, it is half a decade old. Most funding has remained stagnant, despite rising inflation and costs. Unless there is a significant infusion of dollars, the education system in this province will be bankrupt. The areas of concern have been mentioned by our chair.

Special education is of prime concern in our board and all public boards. Currently, we are going through four cycles of validation. The funding has been frozen. Cycle 1 results show a \$2-million gap between what is funded and what the need is, and there are three more cycles to complete. Our area of the province is severely underserved and underfunded medically, in mental health services, in social services and in education. All of these affect our children.

In light of our community health profile, and it is attached, this causes us great concern. It clarifies the increased need of families and children in Essex county. We have a well-demonstrated, well-researched need here. This is not addressed by any of the ministries, and I quote from the report:

"More than 700 children are on waiting lists for care in Windsor-Essex county. Congenital anomalies are important in describing gross differences in communities related to pollution.... For example, 1998 data indicates a 44% higher incidence of hospitalization for mental health disorders for women and a rate 60% higher for men. Suicide is significantly higher as well.

"Windsor-Essex county has the highest rate of uses of child protection and residential care, and those are only the ones that have sought assistance. Over half the children who receive services in Essex county have disabilities in addition to their mental health disorders....

"There is reliable information from pediatricians of an ever-increasing rate of autism, attention deficit and hyperactivity among our children. The number of school-aged children with the highest special needs has sig-

nificantly outpaced the level of provincial funding made available for this purpose.

"Underfunding and underservicing by all the various ministries have caused a very serious problem for children and families. These concerns portend a local manifestation of the epidemic of learning, behavioural and developmental disorders from exposure to neurotoxins."

We are a community in crisis. We are a community that supports and transports 47% of the NAFTA trade. It is time for government to deal with our real needs.

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The time has come for the province to reinstate the dollars taken from education. We are a growth board with less money than we started with. Our need is great. Our students can no longer be sacrificed for this cash grab.

As trustees, we must speak out to all who will listen to our pleas. Any tinkering with the math, any cuts, stable funds or minor increases will not help. We need our lost education property tax put back into the system.

A strong public education system is the underpinning of our society; 1997 dollars will no longer sustain programs and services in 2002. For trustees, it is now just a question of which laws do we break: run a deficit, serve students only to the funds given, stop transportation or say no to new special ed students.

Trustees must and do advocate for our students and for public education. We are constantly faced with the reality of the harm this funding formula has done. We are unable to provide for student choices and this inability causes us to rely on parents for fundraising. We are really faced with the increasing divide between have and have-not students. We can no longer allow our students to be the sacrificial lambs of a funding formula that has provided too little too late.

I thank you for your time. I have two or three full copies of the Gilbertson-Brophy study for the committee if anyone wants it.

The Chair: Thank you very much. There won't be any time for questions as you've used all the time allocated. On behalf of the committee, I would like to thank you.

THE KIDS CAMPAIGN

The Chair: Our next presentation this morning will be from The Kids Campaign. I would ask the presenter or presenters to please come forward and if you could state your name for the record. On behalf of the committee, welcome.

Mr George Johnson: On behalf of The Kids Campaign, we'd like to thank the committee and appreciate the opportunity to be able to speak to you this morning about the severity of our problem here in Windsor.

My name is George Johnson and I'm the chairperson of The Kids Campaign. On my left is my colleague Mark Donlon, who is the executive director of Glengarda Child and Family Services. I've worked in Windsor all my adult life in regard to working in the community. I've sat

on many boards and I represent the general public on issues. We're not an agency. We're a committee that's devoutly concerned about the children in this community.

I'll just give you a brief summary of our activities over the last two years. In the last two years, The Kids Campaign has dealt with children suffering from severe psychological disorders and behavioural problems. Over the past two years, we have made 76 community presentations and have received the support of thousands of families, service providers and community groups in demanding that services be significantly improved.

The first letter-writing campaign resulted in hundreds of letters and resolutions from parents and community institutions, such as municipal governments, school boards and agencies, being sent to the Minister of Community and Social Services. The second campaign, in five weeks, gathered together 7,000 letters which were presented to Mr Baird in the Legislature by Dwight Duncan. We conducted a community forum to educate the people on this issue and over 800 people attended. This was the largest event of its kind ever held in Ontario.

Our purpose today is that the experience of The Kids Campaign has shown that the people of Ontario care deeply about the issues of children's mental health. We are here today to respectfully request that the next Ontario budget prioritize the needs of children by investing significant new funds to strengthen services.

At this time I would like to turn our presentation over to Mark Donlon, who will make comments concerning the specific issues being faced by 18% of Ontario's children and the implications of our failure to adequately fund appropriate services.

Mr Mark Donlon: Thank you for the opportunity to speak to you briefly this morning about children's mental health problems. I'd like to preface my remarks by noting that in the presentation you just heard from the school board, with the enormous issues that are being faced by education across the province, on two occasions they referenced children's mental health issues. I think that's an indication of something. It's an indication of just how pervasive the problem has become and an indication of how widespread it is.

Kids who have mental health problems don't just affect their families and the agencies that are seeking to help them; they affect virtually everyone who works with children. If you ask people in education what their single greatest challenge is in addressing the needs of children, they will tell you it is this group of kids, a group of kids who are experiencing dramatic, serious behavioural, emotional, family relationship problems. I found it very interesting that Mr Kilpatrick chose to speak about that on two occasions as part of his presentation. It really does fit with our message to you today.

In plain language, our system of children's mental health in Ontario is inadequate for the task. Children's mental health problems affect 18% of all children in this province. Those difficulties that they are experiencing cause untold pain and anxieties for families, for children,

for schools, for teachers, for people who work in the justice system and for people who work in the health care system.

At present we are spending about \$330 million a year on children's mental health. There is one page in your presentation that summarizes the allocations by MCSS to different sectors that serve children. It sounds like a lot of money, but to put it into context, it is about what is spent in a medium-to-larger school board or one hospital, and we are attempting to address the needs of 18% of the most needy children and families in this province with that amount of money.

The truth of the matter is that one child in six who needs the service gets it in the province of Ontario. There are 8,000 children sitting on waiting lists in this province as we speak. Just to correct a little bit what Mr Kilpatrick said, it's 800 kids locally, not 700 kids, who are sitting on waiting lists for service. Those children do not wait well. They are not the kinds of kids who are going to sit patiently while their name works its way through, up to two years of waiting for a service, depending on what kind of service they are looking for. In the meantime, they are experiencing enormous difficulties that cost this province an enormous amount of money.

Some of the statistics that are associated with this that are relevant as a way of illustrating how difficult this problem is are on the previous page, where we talk about things like the adolescent suicide rate going up 400%; the fact that we now have the third-worst adolescent suicide rate in the world; the institute of child health says that healthy outcomes are affected more adversely by children's mental health issues than any other disability. Again, it affects 18% of children.

The rate of youth violence has gone up 121% in the last 10 years. The target for the safe school legislation in large measure is aimed at this group of children.

Our message to you today amongst the, I'm sure, hundreds of presentations that are going to be made to you all seeking money is that these kids can't wait. We must do something, and specifically we are imploring you to prioritize the needs of 18% of Ontario's children and make significant investments in children's mental health services in Ontario.

The Chair: Thank you very much. We have three minutes per caucus and I'll start with the government side.

1110

Mr John O'Toole (Durham): Thank you for your presentation. I just have a general sense that on many fronts, on many faces and in many countries the whole issue of youth concerns, in a broad sense, is certainly on the radar screen. We have, as you know, moved from an institutional model. In special ed, they were all just put into a separate class until they were integrated, so they are now up in front and we must deal with it responsibly.

I will just ask a general question, as you work in this area. The Colin Powell initiative in the United States is another example. It's not unique. Europe and England have programs and Ontario has a program, Ontario's

Promise. It's all tied to healthy beginnings and the Fraser Mustard report. Could you, working in the field without any political ideology, suggest, what is it? I'm a parent of five children. I'm kind of a strict discipline type, I suppose. What's happening?

I personally feel there is no respect, for others and themselves. Maybe that's simplistic and overarching. Maybe it's a lack of hope. What is it, in your view? We can talk about this. There have been studies. The government has a special initiative on children's mental health. Perhaps you could, for the committee, give us your experience in the world of working with young people with problems of all sorts.

Mr Donlon: There isn't a simple answer to that question, but in general I would say that the world has changed. The world has changed in dramatic ways that are putting enormous pressures on family life today.

Mr O'Toole: Yes, there's no family.

Mr Donlon: Not that long ago, the norm was a two-parent family where one, usually the father, worked outside the home and the mother was stay-at-home and took care of children. Today that is a distinct minority of family life. Some 40% of marriages end in divorce in Canada. Two-parent working families have become the norm. You will hear, if you talk to folks like Dan Offord, who is an Order of Canada award winner and a noted child psychiatrist at Chedoke Hospital, talk about things like the impact of these kinds of changes putting enormous pressure just on families being able to spend time together with one another.

With respect, I don't think it's an issue of respect. I think it's an issue that our society has changed and become so fast-paced. What we need to do is identify what the different needs are of families today versus 30 years ago. Some people would say things like the answer is to have women stay at home. Well (a) that's not true, (b) it couldn't be done and (c) we could probably do away with traffic fatalities if we all went back to riding horses, but it's not going to happen. It isn't going to happen, so can we get on with the business of identifying what families do need, as the last presentation said, for the importance of producing healthy, productive children who are capable of achieving their potential? What do families need in order for that to occur? We haven't done a good enough job of that yet in this particular sector.

If we continue not to better resource services that are designed for that purpose, then what you're going to end up with is a situation we now have, which is that as kids wait they get worse, and as they get worse, the prognosis for healthy outcomes, successful interventions, become less positive and more expensive. So we're on a treadmill here and we're going the wrong way.

Mrs Pupatello: Thanks so much for your presentation. George and Jo-Anne Johnson have worked tirelessly with a number of advocates for children in our community for many years, and in the seven that I've been around in this job I've watched the group grow and unfortunately the funding fall. What's clear is that regardless of the government's photo ops in the area of

caring for children, in fact the funding levels to agencies have decreased. They've been coping with a number of cuts across the board that actually reduce service to kids. I find it interesting that if a child broke an arm and arrived at a hospital room, there would be no question that despite failing resources we have to repair the arm. We don't seem to have that understanding when it comes to a child's mind or additional mental health services required. We just don't say that we have to address this. One of the answers may well be around the notion of mandating services for children in the children's mental health area.

I don't know if you want to comment on this, but what's interesting is that the Colin Powell idea that this government has—it's like this strict disciplinarian photo; we're going to hammer home the importance of children—in fact has had little or no effect in the area of real services for kids. One example is the last time our chief of police arrived at Queen's Park for a Police Day and pulled Minister Baird aside, along with the head of Maryvale, to solve what was the crisis of the day, the loss of beds. The answer from the minister was to take money from children's aid and hand it over to Maryvale for them to be able to recoup the money that they weren't able to find. In essence, they kept the pool for the area the same and just forced a shift within the pool and solved that crisis for now.

Ultimately, do we have the exact figure of what we're going to need for all the agencies to reduce the waiting list of 800 kids?

Mr Johnson: We have determined that the amount that would attempt to alleviate the problem would be about \$6 million annually.

Mrs Papatello: That's for all the children's mental health agencies?

Mr Johnson: For all the agencies, yes.

Mr Donlon: Locally. As you go across the province, I imagine you are going to hear this message from more than one community.

Mrs Papatello: Mark, you need to be clear as well that our numbers are significantly higher across the board for a whole bunch—environmental, health etc. We have a higher percentage of children who need it than any place in Ontario.

Mr Donlon: Yes, right. One of the things that's absent from the system is a, for lack of a better word, rational funding model. The absence of it has created great inequities across the province, so that in certain communities certain kinds of services are accessible and in other communities they are not. Windsor is one of those areas that is badly under-resourced, by the ministry's own study. The southwest regional report which they completed last year showed in unquestionably clear terms that the residents of Windsor and Essex county are not getting their proportionate share. The same argument could be made in a number of communities across the province.

There are two issues. First, there is a need for more money, and there's no way around that. Second, we have

to come up with a better method for allocating it so that, as communities are so diverse and have diverse needs, that is taken into account. For example, in health care there are much greater services for kids with mental health issues in the health care system in the London region than there are in Windsor. That's just a plain and simple truth.

These things have an impact, as Mr Kilpatrick was saying, not just on us who work in this business but people in education, families and virtually everyone. We need an equitable system of funding allocations that is adequate to the task. That's the bottom line.

Mr Christopherson: Thank you for your presentation. George, congratulations again on continued good work.

Mr Johnson: Thank you, David.

Mr Christopherson: You make a real difference.

I've got to tell you, it's frustrating to listen—I won't name names—to some of the members from the government talk about how the problem with kids is there's not enough respect and all these nicety kind of things. Your example of talking about going back to horses makes a whole lot of sense because the answer to this government is, "All of us should go back to 1955 and then the world won't have all these problems." What they don't want to address is the fact that there's a large percentage of the kids, of the 18%, a huge percentage of them that come from families in poverty, yet this government won't raise the minimum wage. They raised their own wages, our wages—we're fine—but no minimum wage increase. They cut the income of the poorest of the poor by 22% seven years ago with no increase; people with disabilities, no increase; cuts in services. And what's their answer? Is it to put more money into special needs? This stuff makes me so angry, to listen to this. Do they put more money into special needs, here or in every community, whether in Sault Ste Marie or Windsor or anywhere in between? Do they put money in that? No. Where do they put their money? Into private jails. "We're going to build more jails because we're ensuring that there are kids coming out of the system who are going to end up there." It's infuriating to listen to the patronizing kinds of attitudes that come from across the way.

1120

Mr Spina: Look at the numbers he's provided, David. Look at them. Don't hand me that nonsense.

The Chair: Order, please.

Mr Christopherson: I didn't use names. If you want me to start, Joe, let's go for it. All you want to talk about is the way things ought to be but you don't want to do anything about it. But when it comes to your rich pals—lots of money.

Mr Spina: The numbers are there.

Mr Christopherson: Lots of money for your rich friends, the ones who finance your campaign re-election, but no money for kids. Where's the money for kids? I've been in classrooms—

Mr Spina: We've brought the numbers forward.

The Chair: Just a minute. If we want to continue this way, we're not going to go anywhere, but if you want to play like kids I'll let you act like kids.

Mr Christopherson, go ahead.

Mr Christopherson: You talk about kids and acting out. I've got classrooms in schools in my riding, because there's so little funding for special needs, that have to take two-by-fours and nail the desks together. Don't roll your eyes at me. That's the way it is; I can take you into the classroom. And why? Because there aren't enough teachers and special education assistants to take care of the kids who are having behavioural problems, these very children. So the only way they can actually manage on a day-to-day basis is to nail the desks together with a two-by-four.

The Chair: With that, I have to bring the discussion to an end as we've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

LAMBTON KENT ELEMENTARY TEACHERS' FEDERATION OF ONTARIO

The Chair: Our next presentation is from the Lambton Kent Elementary Teachers' Federation of Ontario. I ask the presenter to please come forward, and if you could state your name for the record, please. On behalf of the committee, welcome.

Ms Ginn Rawlinson: The drive was fine, thanks. My name is Ginn Rawlinson. I represent the Lambton Kent local of the Elementary Teachers' Federation of Ontario. I am the local president. I thank you for the opportunity to speak to you this morning. I represent about 950 full- and part-time elementary teachers, and they're in charge of almost 20,000 students today. Though I will occasionally refer to other areas, my love, my passion and my perspective for today's address is public elementary education in Ontario.

The previous Ontario government, the New Democratic Party, in their For the Love of Learning document named the Kent County Board of Education as an example of efficiency. Lambton's practices were very similar. Both boards had been extremely frugal. The Kent board had established a Kent administrative group to take advantage of savings through joint purchasing of services and supplies, savings that were realized by all partners, public and private.

The board held funds in reserve for building maintenance and repairs, for which there was a five-year plan, as well as one to self-fund retirement gratuities. Transportation had always been provided on the basis of one road, one bus, for public and separate school students, elementary and secondary. We had qualified teachers in specialized areas of language education for students new to English, teacher librarians in all of our schools, many of them full-time, and music teachers who not only taught each class but took choirs to music festivals and organized concerts so students could show off to their parents what they had learned in this skill area. Some, but

not all, of our schools had art teachers. Some had teachers who specialized in physical education and coached intra- and extramural teams in a variety of sports. Ten schools in Lambton county had beautiful design and technology classrooms so that each intermediate student could attend for a half-day each week. Special education teachers were responsive to the needs of students in every school and spent a good deal of time in classrooms, offering support and assistance to students and teachers who needed them.

Each school had a full-time principal and most had a vice-principal, one to be the curriculum leader of the school, the other more involved in discipline and school management.

We faced, planned for and addressed the challenges of declining enrolment. We had, and maybe still do have, one of the most experienced and highly qualified staffs in the province. Despite having few vacancies, along with the separate school board, our public board had a satellite faculty of the University of Windsor, 40 students each year to train in our Lambton-Kent schools to become familiar with our school culture and education priorities and goals.

Some things have not changed. Lambton-Kent is still a very efficiently run and cost-effective operation. However, its board of trustees has learned that being frugal is not rewarded. Instead, in 1998 they were punished for it with the largest—4%—cut allowed under the new funding formula. No staff, school or program was left uncut when budget slashes of such magnitude had to be implemented. Still attempting to squeeze every last cent of spending out of each taxpayer's dollar, another large corporate group was formed, involving corporations in both Lambton and Kent, and still meets regularly to take advantage of bulk purchasing of supplies and services. Lambton-Kent's 1998 reserves for its 65 elementary schools, only one of which was younger than 25 years old, had to be redirected to other budget shortfalls. In fact, the rigidity of the funding formula had forced 170 of the province's schools to close in the past three years; 15 of those have been in Lambton-Kent. This evening, at its regular board meeting, the trustees will decide the fate of three more schools.

Though selling off our schools where that's been possible may pay to repair a roof or put new windows and a fresh coat of paint on a dreary old building, it's pretty hard to attract new students to schools that are closing and new families to communities that are disintegrating since there is no longer a local school. Despite the growing body of research indicating that smaller schools are better for young students' learning, the schools that are closing are the smaller ones and young students are spending too long on a bus, up to an hour and a half each way, to attend larger, more intimidating schools. Rural schools have been particularly hard hit in Lambton-Kent. Like most others, our board is also considering moving vulnerable grade 7 and 8 students into the more independent learning environ-

ment of our secondary schools, not for sound pedagogical reasons but to save money by filling space.

While I'm on the topic, funding for elementary and secondary schools has never been equitable, but under this government that funding gap has increased by 30%. Despite all of the evidence that suggests the first years of school are critical to a student's educational success, secondary students are currently funded at \$751 more per student than any elementary one.

While robbing Peter to pay for Paul's repairs, selling schools has created transportation problems far beyond those already being suffered by every board in this province. While the funding top-ups received by boards the last two years have been appreciated, the initial budget estimates for the 2001-02 year showed 62 of 72 public school boards with a total transportation deficit of over \$53 million. While the sale of closed schools may create some much-needed revenue, there is no added compensation to help get those students to their more distant new schools. Like all other benchmarks in the formula, funding for transportation is based on 1997 costs. Unless you ride a bicycle and you've been living in a cave, you know what has happened to the cost of driving a vehicle down a highway in the past four years.

Lambton-Kent runs from Wheatley in the south to Grand Bend in the north, never mind its east and west boundaries. On a good day, that distance takes three hours to travel. With no money to build one central building, we have two board offices, one an hour from the north and another—a port-a-pak attached to a school—one hour from the south. What's left of our board office staff, those who live an hour or more from the board office to which they must report, can be compensated for some of their travel costs if they carpool, with at least four employees in each car. Please help me understand how anyone, young or old, can work or learn productively, spending three hours a day on a crowded bus or in a carpool.

1130

Let's take a look at what's happening to the specialized staff we used to have. According to Liz Sandals, then president of OPSBA, school boards have diverted \$84 million from other program areas to address underfunding in special education alone. She also reports that the number of very high-needs children in our schools is increasing. As a consequence, special education programs for low- to moderate-needs children continue to be cut, something akin to emergency room triage for special-needs children.

People for Education, a parent advocacy group, estimates that 37,000 elementary school children in Ontario are waiting for special education services. That's a 15% increase since the 1999-2000 school year.

In Lambton Kent, we currently have 34 fewer special education teachers than in 1999-2000. A few of those might be attributed to declining enrolment but the majority is due to budget cuts. Not only do we have too few resources and special class teachers, but they are spending more and more time pushing paper and less and less

on supporting the students and the teachers who need them.

We no longer have speech pathologists or English-as-a-second-language teachers for those new to the English language.

Provincially, library has been cut in 30% of public elementary schools this year. That's on top of almost 30% last year and 47% the year before.

Music programs have been cut in 11% of schools this year, 14% last year and 22% the previous year.

English-as-a-second-language programs have been cut by 15% this year, 17% last year, on top of 22% the year before. I hope you're adding some of those figures.

Design and technology programs have been cut in 7% of schools this year, 12% last year and 22% the year before.

Back to Lambton Kent: some of our largest schools still have part-time teacher-librarians, not full-time, and a few lucky ones still have teachers who teach the odd music class. Our smaller schools have neither. All of our beautiful design and technology classrooms closed two years ago.

These programs that support the curriculum and help to ensure that all children are given an opportunity to develop their unique skills have disappeared at a time when a growing body of research points to the value and the need for a more flexible, enriched program. These are the very programs that bring school to life, not just for our students but for us as their teachers.

We have lost other specialized staff in Lambton Kent. In 1998, we had 39 vice-principals, most of whom had half of the day to train beside their principals. What was once a team, as I mentioned before, of a curriculum leader—if that suited the skills of the individual—and a school administrator is now more commonly one full-time, or even part-time, principal who's run off his or her feet, downloading whatever they can to whomever they can. We now have less than half—only 17 of our original 39 vice-principals—remaining, some in name only, with no time outside of the classroom, and few, if any, with enough administrative time to learn what they need to know before being promoted to fill the vacancy of another retiring or burned-out principal.

In 1998, we had 15 supervisory officers. We now have six, and they spend a great deal of their time travelling in cars between board offices and schools.

We continue to struggle with declining enrolment and its cost to our system under this formula.

Though we've experienced record numbers of retirements in the past three years, our satellite faculty, established 10 years ago to train new teachers in our Lambton-Kent culture when there weren't any jobs to be had, will graduate its last class of teachers in the next few months. It will close at the end of this current academic year despite the fact that all of Ontario, including Lambton-Kent, is now facing a teacher shortage.

Not just students and teachers but parents too are recognizing the problems created by a funding formula that seems to have addressed system-wide equity by

funding all boards inequitably and inadequately. What used to be fundraising for extras or what was considered to be frills has become necessary in many cases to provide basic needs.

I'd like to read a brief editorial to you from the *Sarnia Observer*, February 12. "If parents want extras for their children's school, they should hold bingo nights and bake sales. After all, a theatre trip to Toronto to see the Lion King may be valid educationally, but it should not be the responsibility of taxpayers.

"But there is something very wrong when parents have to schlep chocolate bars to the homes of grandparents and neighbours to buy books for their school library or sell muffin mix to equip the gymnasium with basketballs, yet that's exactly what's happening, as many parents with a child attending a school in Sarnia-Lambton can attest."

Ontario's education funding formula is making it almost impossible for the public and separate school boards to provide what were once basic programs and services. So parents are moonlighting as door-to-door salespeople, pushing everything from magazine subscriptions to blocks of cheese to buy recorders for the music program, if their school is one of those lucky enough to still have a music program.

The definition of a frill is changing. School boards once provided playground equipment; now parents pay for that and build it themselves if they want children to have somewhere to play at recess. Buying new binders and pencil crayons has long been a September rite of passage; now kids must also bring pencil sharpeners because the classroom units are often broken.

According to a recent report from the Canadian Centre for Policy Alternatives, the Ontario government has cut \$2.3 billion from school boards over the past six years. At the same time, parents are opening their wallets because they want their kids to have the best education possible to succeed in life. But it's gone too far. When cheese sales determine the size of a school's library, then the funding gap between government and school board has grown too wide.

I'd like to again quote Liz Sandals—and this is from her January 30 speaking notes—a pretty reliable source of information in my opinion. She both asks and answers, "So what is the current financial reality in Ontario's school boards? For English public boards in 1998, the first year of the funding model, 12 boards had operating surpluses totalling \$12.6 million; only three had deficits. Last year, 11 boards were in deficit, for a total of \$35.4 million, and only two had surpluses."

She estimates that about 50% of boards will be in deficit at the end of 2002. "Let me be clear: the school boards in this province are bankrupt or very close to being bankrupt. Our only source of revenue is the provincial government, and with the money we're getting this year and expect to get next year, we will not have sufficient funding to meet our contractual or legal obligations. The Ontario Public School Boards' Association calculates that the gap between school board revenues and the legitimate expenditure pressures exceeds \$1.1

billion annually. Running a deficit is against the law. Funding education at 1997 costs is impossible."

Perhaps a broader comparison will help clarify my concerns. Since this government took office, taking inflation and enrolment into account, \$2.3 billion, as I stated before, has been cut from education. That's over \$1,000 per student. In 1994-95, Ontario's per pupil expenditures ranked 42nd of 63 jurisdictions in North America. In 1999-2000, we ranked 56th, behind every state in the US, as well as Manitoba and British Columbia. In US dollars, the highest per pupil expenditure was \$11,315, in New Jersey. These are all US dollars that I'll be quoting. The average for the US was \$7,577. In US dollars, Ontario's per pupil expenditure was \$4,939. How will our students compete in a global market if education is not one of Ontario's priorities? How can Ontario itself survive?

You don't improve a school system by starving it; you improve it by investing in it, ensuring that students and teachers have the tools and resources they need. You improve it by providing support, not demoralizing teachers, parents, administrators and students. This government must begin to trust school boards, teachers and administrators to spend money in ways that improve learning for the students of this province.

When I became a proud member of the teaching profession 31 years ago, I never thought for a minute that my role would include defending publicly funded public education in an attempt to ensure that it would be there for the futures of my students and their children, which also ensures a future for you and me.

1140

It's hard to accept the rhetoric that the changes that have been made to Ontario's public education system are improving that education for our students. So many indications, the most recent of which is the tax credit for private school tuition, make it difficult for me to believe that this government has any public education agenda short of the complete demise of our system, the one I've known and loved, without which private education and voucher schools may not be possible. If our unprecedented public protest and two weeks' loss of pay in 1997 and all that has gone on since have not convinced you, let me assure you here today that the public elementary teachers of Ontario will not allow our system to fail.

Funding a strong public education system is the most important investment we can make as a society. The financial commitment must be made today because for our children the future begins now.

I doubt whether anything I've told you today is new information. I've tried to draw a picture for you of how the Tories' education reforms have impacted the Lambton Kent District School Board—my little corner of the world. What gives me hope is that so many are coming forward throughout Ontario, from inside and outside of education, to help us sound the alarm.

Public education is in huge financial trouble. A good education must not be only for those who can afford it. It

must be there for every child in Ontario and therefore must be appropriately and publicly funded.

Ontario's elementary teachers are not interested in the status quo, and much of what has changed in the past years cannot and should not be reversed, for it would only serve to extend the chaos we've suffered through for the last four years and before. I do, however, want to leave you with a number of recommendations to consider that I know are needed that could provide much-needed funding and could certainly improve current practice:

(1) That the government inject new money into the funding formula, restoring money stolen from our students and schools; funding that will allow boards the flexibility to hire additional specialist teachers to provide the necessary support and enhanced programming to elementary students.

(2) That the money being directed to teacher recertification and the entry-to-the-profession test be redirected to school boards to be used for professional development programs that are focused on individual board and school growth plans and learning goals.

(3) That the government restore the five professional activity days eliminated by Bill 160.

(4) That the government eliminate the existing every-student standardized testing in grades 3 and 6 and drop its plans for every-student testing in every grade, re-directing that money to learning resources for students and teachers.

(5) That the government invest more money in the delivery of special education programs for every student who requires it.

(6) That the government provide more funding for transportation costs.

(7) That the funding formula be changed so that small community schools are not forced to close.

(8) That the tax credit for private school tuition be abolished.

(9) That overall funding be increased to ensure that every student gets the education they deserve.

Thank you.

The Chair: With that, I would like to thank you on behalf of the committee. There won't be time for questions as you have used all the time allocated.

LEGAL ASSISTANCE OF WINDSOR

The Vice-Chair (Mr Doug Galt): Our next delegation is Marion Overholt, staff lawyer with Legal Assistance of Windsor. A total of 20 minutes has been set aside for you. After your presentation, whatever time is left over we'll divide equally among the three caucuses. Please, for Hansard, state your names so they get them down clearly.

Ms Marion Overholt: My name is Marion Overholt. I'm a staff lawyer with Legal Assistance of Windsor.

Ms Shelley Gilbert: My name is Shelley Gilbert. I'm the coordinator of social work services with Legal Assistance of Windsor. I'm going to begin our presentation today.

I'd like to thank you for the opportunity to speak with you. This submission represents the views of several organizations that regularly advocate on behalf of individuals, families, vulnerable citizens, refugees, immigrants and those who as a result of a mental or physical disability are unable to access government programs and resources without assistance. I'd like to ask the members of these organizations who are here with us today to stand and introduce themselves, if I can.

Mr Dominic Boyd: My name is Dominic Boyd. I'm with the Sandwich Community Health Centre in the west end of Windsor.

Ms Mary Seaton: Mary Seaton, unit 7—

Ms Helen Petrimoulx: Helen Petrimoulx, Windsor Refugee Office.

Ms Jeannine Carley: Jeannine Carley, Canadian Hearing Society.

Ms Jody Lee Farrah: Jody Lee Farrah, Citizen Advocacy.

Ms Karen Gignac: Karen Gignac, Canadian Mental Health Association, Windsor branch.

Ms Maureen Curtis: Maureen Curtis, labour programs and services, United Way.

Ms Debbie Desjardins: Debbie Desjardins, campaign labour staff, United Way.

Ms Janet Clayton: Janet Clayton, Community Mental Health Association.

The Vice-Chair: We'll have a representative from Hansard come around just to get your names clearly in a few minutes.

Ms Gilbert: Thank you. The purpose of our presentation today is to call attention to the significant impact the deterioration of financial supports has had on individuals, families and children. The inadequate welfare rates, the clawback of the national child benefit supplement and the lack of affordable, adequate housing have resulted in families being unable to meet their basic needs and has forced families to make choices between food and heat.

At present, the local Ontario Works office has a case-load of over 6,100 cases, equalling 3% of our population. This translates into thousands of families and children in Windsor and Essex county living in severe poverty.

As a result of the downturn in the economy, families surviving by both parents working full-time are now in the position of one or both of them having lost their jobs or having their work hours dramatically cut. As a result, families are forced to turn to Ontario Works as a means of survival.

Allow me to direct you to the budget sheet you have in front of you, explaining how a family of four survives throughout a month.

After a family of four have exhausted all of their savings and assets and are approved for Ontario Works, they begin to receive an income of approximately \$1,200 a month from Ontario Works. Although this family also receives a child tax benefit of \$378.66, \$192.50, the national child benefit supplement, is taken from their Ontario Works entitlement each month, leaving them a total income of \$1,386.16. This family begins each

month by paying rent of approximately \$839 a month for a three-bedroom apartment, which is the average rent for an apartment here in Windsor.

With their existing income of \$547, they pay increasing hydro and gas costs of over \$120 a month each, leaving this family approximately \$307.19 for food, telephone, clothing and any incidentals the family may have throughout a month. If a member of the family becomes ill, the family is expected to pay a co-payment for prescriptions. If the children in this family have additional school expenses for supplies or trips, the family chooses between food and these costs.

We have averaged approximately \$9 each month on your budget sheet for these expenses. A family's total expenses before buying food is \$1,088 a month. Is it any surprise that by the third week of the month, many parents are forced to use food banks as a way of ensuring their children have food to eat?

In the year 2000, over 150,000 people in Windsor utilized a food bank. According to the report by the United Way, 7.2% of the population of Windsor report they do not have enough money to buy food each month. On a daily basis, social agencies are attempting to assist families who have been unable to pay their skyrocketing gas and hydro costs and are presently living without heat or hydro.

Parents are sending their children to bed with coats on at night or are attempting to find other supports to care for their children. More and more often, these families are finding themselves evicted from their homes and are forced to split up until they are able to find housing again. Obtaining subsidized housing is an unlikely option, as over 2,700 households are presently on the waiting list for the central housing registry.

Unfortunately, emergency hostels are being used more frequently as long-term housing options, due to the lack of affordable housing. According to the United Way report, the Well-Come Home shelter, the only homeless women's shelter in the city of Windsor and in Essex county, housed 59 women between January and June 2001. During that time, the shelter, which is not equipped to house families, received 24 requests from single-parent, female-led families, and 14 requests from double-parent families.

In the year 2000, the Salvation Army hostel saw an 11% increase in men requiring emergency shelter, and served 52 families in their emergency apartments, which was a 24% increase.

I'd like now to refer to Marion Overholt, a staff lawyer with Legal Assistance of Windsor.

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Ms Overholt: We came here to talk to you about poverty. We find it very interesting that in every submission you've heard today, the issue of poverty was raised as part of the problem those groups and agencies were facing and dealing with, whether the issue was children's mental health or education. There is a continuing stream of concern about what poverty rates in Ontario have done for the clients they're trying to work with.

When we look at why we have poverty in Ontario, it's very important to recognize that we have poverty as a result of legislation. We have legislated poverty in the province. It is up to government to fix the poverty that we face.

When we look at housing, access to good-quality, affordable housing is a basic human right. Since 1998, the Ontario Rental Housing Tribunal has ordered over 115,000 rental householders to be evicted without a hearing. The housing shortage creates a vicious cycle for tenants, who often tolerate slum dwellings in desperate need of repair, always fearful that their landlords will evict them at the first instance of a late payment of rent. Landlords have failed to invest in maintaining rental buildings. In addition, the government has attempted to sell social housing and reduce the level of rent-geared-to-income subsidies, which also threatens the existing supply. There is a four-year waiting list for subsidized housing in Windsor.

Municipalities have been saddled with the cost of provincial social housing programs. Funding housing from property taxes is bad public policy. The provincial government should resume its funding of these programs. Emergency shelters are not the answer to the homeless crisis; neither are jails. We have witnessed the struggle of clients who have lost their accommodation and ended up on the street. The uphill battle to re-establish them in housing is huge. Each success story is tenuous, as they are one financial crisis away from being back on the street.

We are recommending, therefore, that a fully funded program to create 18,400 units across the province should be implemented. The cost would be \$900 million annually. Since 1995, the Ontario government has made deliberate choices to give priority to tax cuts that benefit primarily the wealthy corporations, instead of social programs that would benefit the 4.5 million people living in rental households. The time has come to shift the financial support to those who need it the most.

Besides investing in social housing, the Ontario government should join with the governments of Manitoba, New Brunswick and Newfoundland and stop the claw-back of the national child tax supplement. Since its inception, Ontario has prevented families on welfare from receiving the full child tax supplement. Instead, the monies have been distributed through the municipalities for funding projects that have little guidance in their terms of reference, and little accountability. This money belongs in the hands of families, to provide for their basic needs. The supplement is roughly \$680 to \$955 per child, and could go a long way to providing the day-to-day sustenance for welfare families.

The bottom line, to use financial lingo, is that it's a mistake to let the market overshadow human needs. When we attempt to measure the cost of poverty, economic policy has concerned itself with money, the size of the market where money is exchanged, but it has not been concerned with how people live. It's in the interests

of everyone to lower poverty rates and raise the standard of living of the people in deepest poverty.

When you listen to the statistics of food bank use in Windsor, you should be able to conclude two things: number one, far too many people would not be able to survive without regular food bank use and, number two, the food banks are not able to keep up with demand. A 400% increase in usage spells a crisis that requires government intervention now.

As recorded by the National Council on Welfare, we have been moving in the direction of increasing privatization and deregulation. We've been shifting from corporate to individual taxation and cutting taxes that are the basis of programs that support the common good. We see growing stress in families and non-governmental organizations trying to cope with fewer public services and growing consumption of luxury goods alongside the increased use of food banks. This polarization increases social tensions and it costs society the creative and productive capacity of a large portion of the population. It costs the government the trust and support of the public and it costs our society its humanity.

The government has the power, it has the legislative authority, to end the poverty that our citizens face. We come to this committee before budget to ask that the welfare rates, the cuts that took place in 1995, be restored.

The Vice-Chair: Thank you very much for your presentation. We have about two and a half minutes per caucus, beginning with the Liberal caucus.

Mrs Pupatello: Thanks for your presentation today. We appreciate the work that legal assistance does and we work with you on a regular basis with our clients, so it's good to see you here.

I wanted you to address for a moment the Ontario disability support program, because you mentioned the detail of Ontario Works and there's a significant gap and grey area between people who are trying to get into the ODSP who are clearly disabled, as defined by medical experts. We are having a tremendous amount of trouble in our office right now with people who are caught in that grey zone. While the government declared they were going to set up this tremendous opportunity for people with disabilities to get into a program that was essentially manna from heaven, we're having trouble getting people in the program, for a whole bunch of reasons, in the Windsor-Essex area. Being underserved by physicians, for example, we can't get our people in to see specialists to get the kind of documentation required to get them into the ODSP. If they have a specialist meeting so that they can get this kind of paperwork, it takes a year to get them into their appointment because we don't have the specialists. They have to go away to get it, if we can get them an appointment out of town, and all the costs that means for these people. We just have a tremendous amount of difficulty making this legislation work.

They created Ontario Works in 1997. We have seen the fallout in Windsor particularly because of the housing crisis, because of the extra costs people are forced to bear, just for a whole bunch of reasons. Quite interest-

ingly, the effect of being underserved by physicians has a tremendous impact on our people who are on workers' compensation. We can't get them doctors to fill out the forms. The doctors aren't able to take the time to do all the paperwork required to help our people get on Ontario disability. So, as was mentioned by several speakers before you, our whole system, through several ministries being so deficient for the southwest region, is causing a mad panic in a whole bunch of areas that, individually, people wouldn't realize how much one impacts on the other.

We work specifically with some of the ODSP clients to get them through and we're working together on several cases. Could you mention the ODSP from the legal cases perspective?

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The Vice-Chair: We've gone well over the two minutes allocated for a response, but I'll provide you with 30 seconds, if you can do it in that time.

Ms Overholt: I'll do my best. I've been practising in this area since 1988, so I have 10 years of experience under the Family Benefits Act dealing with disability. When I look at the administration of the ODSP Act, it is just totally unworkable. The ministry says they reject 85% of applicants. When people apply, they wait at least four to six months to have their application reviewed, and then the appeal process before the Social Benefits Tribunal takes at least another year to 18 months to reach a decision. In most of the cases the clients are then being found eligible for disability benefits. We've had clients die during the process. It is extraordinarily difficult to get clients, especially people who have been homeless or suffering from mental health conditions who are not under the care of regular physicians, in to see a doctor in order to document the case. It has been very difficult for the disabled community to access the benefits they're entitled to under the legislation because of the administration and the process of that program.

Mr Christopherson: Thank you very much for your presentation. I know that at times over the last few years it must feel like you're speaking into the darkness and it's not going anywhere, but I assure you it's really important to come forward and make these arguments, because the rest of the time, majority governments have access to a lot of media control and all we ever hear about is the tax cut. They had their economic boom and a very small number of people did very well, but now we're finding that the argument that everybody does well during the boom is not the case. The boom is over and a whole lot of people who were in a tough spot to start with are now in a tougher spot. What's going to happen to them in the next few years?

There's so much that needs to be said, such an important part of Ontario's story to be told. You're doing that today and it's appreciated.

We don't have a lot of time. You've covered so many issues. I want to ask you one question. The current finance minister, who wants to be the next Premier, has

said he's going to solve the homelessness problem by outlawing it. I'd like to hear your thoughts on that.

Ms Overholt: I'd love to share them. We have a huge problem—

Interjection.

Ms Overholt: Pardon me?

Mr O'Toole: I was just saying that perhaps the best solution is to ignore it.

The Vice-Chair: Please respond. Don't worry about him.

Ms Overholt: We have a huge problem with the approach of criminalizing people who are homeless, because it's clear from the comments that were made that the individual would be charged in order to be taken into custody. Care in a jail is probably the most expensive shelter that is available, so one would wonder why one would look at the most expensive shelter as the appropriate option for people who are homeless.

When you look at the lack of availability of affordable housing and why people are on the streets, those are very complex issues. I think what has come out universally from all the shelters and the social agencies that work with homeless people is that we need to restore the cuts in welfare so that people don't become homeless in the first place. Then you need adequate funding of the emergency shelter programs. We need second-stage housing, which we don't have, in order to provide people with adequate supports. To say this is a criminal law problem is just fundamentally disrespectful of the rights of people and the needs that we have in our community, and it makes us very concerned that that would be put out as a viable solution.

The Vice-Chair: We'll move to the government side.

Mr Hardeman: I have two topics I just wanted to touch on. I'll give both questions and then you can answer the one you prefer.

One is the issue of the ODSP and the appeal rate and the process. I think Ms Papatello mentioned how long the process takes and so forth and the difficulty in getting it done. Yesterday we heard that the success rate of the appeals was 70% in that legal clinic, that in fact 70% of those who appealed the decision of the workers within the ODSP who had denied benefits, after the appeal got the benefits. Is that the type of rate, and if it is, would it not suggest that there's something wrong with the system if both parties, the panel that hears the application and the individual who made the original decision that they were not going to benefit, were using exactly the same rules?

Professionals are the ones who are doing the original application and are saying, "No, you don't qualify under these rules." You present that case to an appointed board and they say, "No, you're right. Our professionals did not do a good enough job. They should have granted this application."

Maybe you could suggest which one of those two is not working properly.

I would like to go on to the issue Mr Christopherson mentioned about what we need to do with the homeless people on the streets. I totally agree with you that you

don't go out on the street and take people because they don't have any place to go and put them in jail and then look after them there. I don't think anybody would suggest that's an appropriate way. But does it not bother you that for many people who have mental health problems, who don't have the capability of making the choices of where they could go or where they should go, the law does not allow now for anyone to do anything about that?

The Vice-Chair: Mr Hardeman, your two minutes are up.

Mr Hardeman: They die in the street because no one cares, and I think there's something wrong with that.

The Vice-Chair: Mr Hardeman, your two and a half minutes are up. Maybe we can give her 30 seconds to respond.

Ms Overholt: I can respond to the second by saying that's happening because of a lack of political will on the part of the Legislature. You have the power. You could write the legislation so that we don't have homeless people on our streets. So you have the power and I hope you will use it.

In terms of what's happening with the disabilities, what often happens is that when you look at the application form that the doctor has completed, when it's reviewed by the ministry staff, they will discount their opinion and say, "This person couldn't be as bad as this," because this type of condition has various ways of presenting itself. Because the ministry has been instructed to reject 85% of the applicants, we find that with a host of medical information put in, those cases are still being rejected.

The legal clinics in Ontario have worked with every government in the last 20 years in helping to give feedback on what kind of application process would help people in order to establish their case for disability, and what we're finding is that because of the standards that the provincial government has put in place, it's harder for someone to qualify under the provincial disability legislation than under Canada pension disability. So those are fixable problems.

The Vice-Chair: Thank you very much for coming forward. Your presentation is very much appreciated.

Mrs Papatello: On a point of order, Mr Chair: I'd like to make a request of the committee that the Hansard notes from the 1997 Ontario Works legislation be distributed to the finance committee, specifically the presentation by Legal Aid Ontario. In its presentation in 1997, it identified before the legislation was enacted the problem specifically on the medical certification of the people who were reviewing the files, and that in fact has created much of the problem that was presented today.

The Vice-Chair: So your request is to have that tabled?

Mrs Papatello: If the committee could be provided with Hansard, then we might note that all of the problems that we said in 1997 would happen with this legislation are now in fact what we're faced with.

The Vice-Chair: We'll request our clerk to produce that for us.

Thanks very much for your presentation.

ONTARIO SCHOOL COUNSELLORS' ASSOCIATION

The Vice-Chair: The next one is Phil Hedges, president, Ontario School Counsellors' Association. Twenty minutes have been set aside for you. When you begin, state your name for Hansard, and whatever is left over from the 20 minutes will be divided equally among the caucuses, if I can limit them to that amount of time.

Mr Phil Hedges: Thank you. Good afternoon. My name is Phil Hedges. I'm the president of the Ontario School Counsellors' Association. That's the voluntary association of guidance counsellors in the elementary and secondary schools—public, private and Catholic—throughout Ontario. At the moment, there are about 1,200 members.

We thank you for the opportunity to bring to your attention our concerns around the application of the funding formula and its impact on the provision of equitable access to high-quality programs and services for all students in all Ontario schools.

Let me begin by providing some background. In 1999, at the same time that secondary reform was being introduced in Ontario schools, a new, long-awaited guidance and career education program policy was also released. That document, Choices Into Action, is a comprehensive developmental program for all students in all schools from grades 1 to 12.

In the rationale from that document it is stated, "For their educational, social, and career success in the 21st century, students will require effective work habits and the ability to make sound decisions, solve problems, plan effectively, work independently, communicate well, research, evaluate themselves realistically, and explore new educational and career opportunities. A carefully planned guidance and career education program, beginning in the elementary grades and continuing through secondary school, will help students acquire these skills.

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"Students must learn and develop skills at school that will help them become more independent and responsible individuals. They must be able to apply what they learn in school to other areas of their lives. They must learn to work co-operatively and productively with a wide range of people, to set and pursue education and career goals, to evaluate their achievement of these goals, and to assume their roles as responsible citizens. A comprehensive guidance and career education program will provide students with an understanding of the concepts in the three areas of learning in the program (student development, interpersonal development, and career development) and with many opportunities to practise new skills in structured and supportive settings. It will allow them to learn from their experiences and accomplishments and to apply their skills and knowledge in the

classroom, in the school with their peers, and teachers and in the community. It will also involve parents, community partners, teachers, teacher-advisers, guidance counsellors, and community mentors in the program.

"The guidance and career education program will help students relate what they learn in school to the community, understand and value education, recognize the learning opportunities available to them, make choices from among those opportunities and adapt to changing circumstances. It will help them make transitions throughout their lives—from family to school, from school to school, from school to work and from school to lifelong learning. Through learning activities that emphasize managing time, completing tasks, setting goals, resolving conflicts, volunteering, collaborating, and co-operating, students will learn self-discipline, personal and social responsibility, and respect for others from diverse cultures."

Initially, I considered summarizing those details from the rationale and hitting the highlights. My decision was to include all of them because I believe they are all extremely important.

As an association, we were very much involved in providing input into the development of that policy. We were and continue to be committed to its full implementation. We see Choices Into Action playing a significant role in providing support for achievement for all students and providing support for the development and maintenance of effective schools.

Choices Into Action clearly describes the competencies that students will achieve and the roles and responsibilities of those charged with delivering the program. You'll find an extensive list of the duties and responsibilities of guidance counsellors in the appendix.

At the same time that Choices Into Action was released, the funding formula was introduced. In it, there was an allocation for guidance teachers of 0.2 per thousand in the elementary schools and 2.6 per thousand students in secondary schools. That translates to one counsellor for 5,000 students in elementary schools and one for 385 students in secondary schools.

We were told that the staffing ratio was based on the status quo of staffing across the province prior to the introduction of Choices Into Action. While that may have been true, the ratio was clearly not based on the new model of guidance and career education as outlined in Choices Into Action. As we continue to move forward with the implementation of this policy, we are becoming more and more aware that the staffing level indicated in the formula is problematic.

In elementary schools, prior to the introduction of the formula, many boards had at least some elementary guidance counsellors. However, the allocation in the formula was so low that many boards decided to eliminate elementary guidance counsellors entirely because the level of staffing that could be provided would be so low as to be seen by some to be of no value at all.

Currently, throughout Ontario elementary guidance counsellors exist in only a handful of district school

boards and yet Choices Into Action is a grade 1 to grade 12 program. Without leadership provided by elementary guidance counsellors, the policy is often seen as an additional responsibility added to the work of already burdened classroom teachers.

In secondary schools, the formula provides for more counsellors than in elementary, but since the allocation is not protected, staffing levels vary widely from board to board and school to school. As district school boards struggle with difficult budget deliberations, areas in the funding formula that are not protected become potential areas for savings. As a result, staffing for guidance programs in secondary schools has been cut by many district school boards. Rather than providing staffing at the ratio of 1 to 385, as suggested by the formula, we hear of many, many schools where the ratio is 1 to 450, 1 to 500, 1 to 800 and even 1 to 1,000 students. Clearly, there is no consistency. Clearly, there is not equity of student access to the same level of quality programs and services across the province. No matter how efficient, hard-working and dedicated he or she may be, there is no way that one counsellor can provide the same program for 1,000 students that he or she could provide for 385.

Since the introduction of the funding formula, we have lobbied for the protection of guidance staffing. We have had little or no success.

As an association, we have worked in partnership with the Ministry of Education to provide meaningful training on many of the components and features of this new guidance and career education policy.

We have worked with our members to ensure a common understanding of the details of the program. We have developed support materials. We have worked in partnership with other provincial and national organizations to obtain and distribute outstanding career development resource materials free of charge to every school in the province. We have attempted to focus on the value of all destinations and that all students should have equity of access to quality programs and services.

But every year at budget time we find ourselves in the same position of trying to justify the value of the work that we do and competing with others for limited financial resources. We are increasingly frustrated by the fact that on the one hand we have an exceptional, comprehensive policy that seems to support the value of providing programs and services for all students, but on the other hand we have a funding formula that gives district school boards permission to undermine the effectiveness of that program by allowing the funding allocation to be moved to other areas, thereby reducing levels of guidance staffing to a level far below that which is required for an effective program.

As guidance staffing levels continue to be cut, there is a cost to students. It is relatively easy to help a highly motivated, academically successful student with clear goals and many available options. It is much more difficult and much more time-consuming to encourage students who have experienced less success and who see fewer available opportunities and more barriers. Many of

those students are at risk of disengaging and dropping out. Surely they deserve equal access to quality programs, services and supports.

We know that the new curriculum has proven to be very challenging for a large segment of our student population. Those students need more individual assistance and support than those who can handle the curriculum more easily. An effective, comprehensive guidance and career education program seeks to address the needs of all learners to ensure that no students fall through the cracks.

The new secondary school curriculum is a destination-based system. Students must make important decisions at an earlier age. In order to do so, they must be taught the skills they'll need in order to be able to make good decisions. They'll need to learn what resources are available to them and how best to use those resources. They'll need support in order to gain confidence in their abilities to make good decisions. We want all students to be fully aware of the vast array of opportunities available to them. That's what an effective, comprehensive guidance and career education program is all about.

The double cohort has been attracting a lot of attention lately. There are serious implications in terms of guidance staffing. Counsellors will need to be very knowledgeable about the many more options that students will want to explore. We will have many more students working through the process of exploring, researching and applying to post-secondary education and training, all at the same time.

Even after the double-cohort year, the complexity of exploring an increasing variety of options combined with the shortening of the secondary school program to four years and the increasing costs of post-secondary education all have implications in terms of the necessity to provide adequate programs and support services to all students, particularly those who find the process confusing, stressful and frustrating. We are well aware that the stress level of senior secondary school students is at an all-time high. The stress level for teachers is a little lower. We are already experiencing a massive increase in requests from parents seeking information and assurances that their students will not be adversely affected. Our focus will be on teaching all students the skills they need to make good decisions and supporting them in the process. While our goal is for students to become self-directed, independent learners, there's no question that many students will need a considerable amount of teaching, re-teaching and support in order to reach that goal.

Some might suggest that the solution is for us all to work a little harder and work a little smarter. We're already doing that. We have changed the way we do business. We have developed a sophisticated network that provides significant support to our members. Almost all of them are subscribers to our listserv that provides daily updates on the very best information and resources that will assist them in doing the work they do with students at all levels and all grades. We have developed a comprehensive Web site that contains a myriad of re-

sources that our members can use to their advantage. We continue to offer professional development opportunities.

Our approach has been proactive, collaborative and positive. But I caution you that as we continue to face the same challenge year after year, the enthusiasm weakens. It becomes more and more difficult to continue to be advocates for and supporters of a program that appears to be well-supported from a philosophical perspective but that gets little or no support when it comes to providing adequate funding to properly implement the program.

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There is an increasing belief that successful implementation will not be possible. None of us would believe that being an adolescent is any easier or any less stressful than it used to be. When we couple that reality with the fact that we are asking our students to make critical decisions at an earlier age about their future in an increasingly complex and competitive world, the seriousness of this situation should be obvious.

We believe that Choices Into Action is a valuable policy that can play a major role in enabling all students to become confident, competent decision-makers and independent, self-directed learners, but that can't happen given the current reality of guidance staffing.

If we truly believe that all students deserve equitable access to quality professional programs and services, regardless of where they live and where they go to school, then there can be no doubt about what must be done. The guidance staffing allocations suggested in the funding formula must be guaranteed as an absolute minimum in every district school board and in every school.

The Chair: Thank you very much. We have a minute and a half per caucus.

Mr Christopherson: Thank you very much for your presentation. Just to follow up a little bit on the stress on the teacher side of it, I'm interested in whether or not, as a result of the lack of funding, the morale in schools across the board is dropping tremendously. People are getting out of teaching as quickly as they can, a lot of people are being advised by veteran teachers not to go into teaching. It's no longer seen as the kind of profession it once was. I wonder if you could reflect on how that's affecting teachers who specialize in the counselling area.

Mr Hedges: In terms of the work that we do in terms of the guidance and career educators, we still have a very optimistic, enthusiastic group, but I think we have a group that needs some sort of a sign that this government is serious about supporting the program. They believe in this program, they believe in Choices Into Action. This policy is one of the best guidance and career education program policies in the world, but it won't work unless there is staffing to support it.

Mr Spina: Just a quick question, because you've put a lot of emphasis on Choices Into Action. It is the guidance and career education program policy that was released by whom?

Mr Hedges: By the Ministry of Education at the same time as OSS, the new secondary school diploma document. It accompanied that piece.

Mr Spina: Thank you. I just wanted to get that in perspective.

Mr O'Toole: I appreciate that, as you've outlined, there's funding in the foundation grant. There is recognition of the importance of guidance and you've said that the curriculum is a destination-based curriculum. I guess that's where I think ideologically or—do you have a problem with that, if there's a purpose for the learning? There's lifelong learning, all these words that we've heard for a couple of decades. Do you have any problem with the destination being employment and life skills and learning to take responsibility for yourself? The whole thing was educating the person, the whole person kind of thing, this feel-good kind of thing. Is this a problem for the guidance people?

Mr Hedges: Let me address the first part, which is the destination-based education system that we now have in Ontario. We believe that system makes sense. We believe that there is value in all destinations, and as guidance counsellors we are very concerned about the fact that often it's university that's seen as the destination of choice. So we are working very hard to ensure that—

Mr O'Toole: But that's the culture of the past.

Mr Hedges: That's the culture of the past, but we're working very hard to ensure that students and parents are aware of all the options that are available to kids.

Mr O'Toole: The trades.

Mr Hedges: The trades, direct school-to-work opportunities, colleges and so on. The difficulty with that is that as those opportunities increase and there are more things that we need to make students aware of, then that necessarily means there's an increased amount of time that we need to spend doing that. It's extremely important to do that work. It's a lot easier to focus on university.

Mr O'Toole: I think 7, 8 and 9—

The Chair: Thank you very much.

Mrs Papatello: How many class days a year are there?

Mr O'Toole: One hundred and eighty-five.

Mrs Papatello: So let's say a school has one counsellor per thousand students. What does each student get, 10 minutes in a year?

Mr Hedges: My guess would be that in a secondary school with 1,000 students and one counsellor, that counsellor would spend most of her time looking after day-to-day crises and would not get the opportunity to go into classrooms to do any developmental work, and that's a significant shift in terms of guidance in Ontario. It's not just office-based.

Mrs Papatello: These numbers in particular with this double cohort. There must have been a significant increase in the demand for counselling so that students and their parents can determine what to do. Do they rush through, like we've heard they're apparently doing, with overcrowding at an extra 3% at our universities, to get

ahead of the double cohort? Do they back it up because the Minister of Education came out and said, "Whoa, you can still take five years if you want" because they realize there's a crisis coming? Or do they just sort of jump in there with the herd of double cohort and go. There has never been more of a need in terms of counselling, and your ratios are going up in terms of fewer per student. Class days are just about the same. You can't expect to do your job with 10 or 15 minutes a year per student in all of this change in education.

Mr Hedges: That's correct. It becomes very challenging, in terms of the double cohort issue alone, the interest on the part of students and parents and post-secondary institutions in Ontario, post-secondary institutions outside Ontario that are now very interested in our organization and the students we work with. There's a tremendous increase in the amount of time that is devoted to the double cohort issue. I think while that's extremely important, there is also all of the rest of the comprehensive developmental program that is for all students, from grades 1 to 12.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

TEEN HEALTH CENTRE

The Chair: Our next presentation will be from the Teen Health Centre. I would ask the presenters to please come forward. Could you state your name for the record. On behalf of the committee, welcome.

Mr Jim Bowman: Thank you, ladies and gentlemen. My name is Jim Bowman. I am the treasurer of the board of directors of the Teen Health Centre. I have been involved with the Teen Health Centre for almost nine years, most recently as the secretary-treasurer. With me is Sheila Gordon, the executive director of the Teen Health Centre. We deeply appreciate the opportunity to address this important committee of the Legislature.

We are grateful for the time you have allotted us. At the risk of being a bit immodest, I can assure you that it will not be a wasted 20 minutes. I do want to explain more about our community health centre, but I first want to explain why we are here today.

The Teen Health Centre has come today because we genuinely believe we have a solution to offer the government that will make significant improvements to the province's health care system. Given the amount of money the government has poured back into health care, we know that this is your number one area of interest. I praise the government for continuing to reinvest in health care. It is money well spent.

I think we have an offer that the government should not and cannot refuse. Simply put, we think the government should continue to invest in health care and we think community health centres are a natural and worthy candidate for that investment. By investing here, the government will improve the province's health system and begin to deliver in a significant way on its commitment to expand primary health care networks province-wide.

Community health centres have been in the forefront of primary health care reform for the last 30 years. As a result, we wholeheartedly support the government's commitment to roll out primary health care reform province-wide. In last year's budget, the government committed to having 80% of family physicians working in primary health care networks by 2004. Again, we applaud both the impulse and the target. We think we can assist the government in accomplishing this important, ambitious objective. In fact, today we want to leave the committee with a proposal that moves the primary health care reform yardstick a considerable distance.

Who are we? Windsor already has two existing community health centres: the Sandwich Community Health Centre, serving the geographic area of Windsor's west side, and the Teen Health Centre, serving primarily youth ages 12 to 24 in Windsor and Essex county. We also serve homeless individuals of all ages.

Today, there are 65 centres in operation in all areas of the province. Fifty-five are community health centres and 10 centres provide services as aboriginal health access centres.

These centres are all community-based, non-profit organizations that provide high-quality, cost-efficient primary health care services. But our centres do not stop there, they also focus on health promotion and illness prevention to improve overall health outcomes for the individual, families and for the communities they serve.

1230

In June 2001, the Ministry of Health and Long-Term Care completed a strategic review of the community health centre program. The report is not yet public, but key findings presented by the ministry show that community health centres:

- (1) exhibit desired primary care reform features;
 - (2) are accountable through community governance, service agreements and accreditations;
 - (3) deliver on ministry goals and strategies; and
 - (4) have a strategic role to play in primary health care, particularly with populations facing access barriers.
- (5) Family health networks will not reduce the need for community health centres, since family health networks are not designed to improve access for disadvantaged groups.
- (6) Community health centres are one way to meet the needs of underserved areas.

Ms Sheila Gordon: From a local perspective, the Teen Health Centre in Windsor is currently serving over 13,000 active clients. We have eight satellite offices throughout Essex county, as well as our main centre here in Windsor.

In the last fiscal year, we saw over 18,000 visits from youth in our community to the health centre for services they access through either our physician, nurse practitioner, dietician, psychologist, social workers or counsellors. We have also provided health promotion and prevention services to over 5,500 youth in our community.

As you may be aware, Windsor and Essex county is one of the most underserved areas in Ontario for family

doctors. Many of the clients who use our services do not have family doctors and rely on walk-in clinics for their health care. Approximately 50% of the youth who come to see us do have family physicians, but they choose the Teen Health Centre because of the confidentiality which they are assured of maintaining, and the dignity and respect in the way our staff treat the youth, as well as our known expertise in the community.

Increasing funding to provide additional physician and nurse practitioner services through a community health centre model will be a very cost-effective way for the government to provide quality care for our youth and the homeless populations we serve. Our medical department sees a large number of teens for sexual health reasons, yet the percentage of teen pregnancies in Windsor and Essex county is 26% higher than the provincial average. This is according to the Windsor-Essex county health unit's technical report that they produced last year, and those are from 1996 census statistics. Increasing funding in the medical counselling and health promotion areas will help us to reduce this number to at least the provincial average, if not below. This one area alone will save the government considerable money in reducing our health care costs, as well as costs to the welfare system.

Additional funding would allow us to serve over 200 new clients every month—that's currently what we're seeing walking in the door now—as well as providing our existing clients with increased access to physician, nursing, dietician and counselling services. That I would see primarily in the county area, where access in the rural areas of Essex county is more difficult. Our current waiting lists for counselling services are approximately six to eight weeks long. While that may not seem long to you and me, for a teen who has made a decision to give up substance abuse, alcohol or drug abuse, and turn their life around, that six- to eight-week waiting period may have a severe negative impact on them. For a client who is depressed, a six-week waiting period can mean an institutionalization or hospitalization, which is a much more expensive outcome.

The demand that the Teen Health Centre has to make presentations in the high schools far exceeds our ability to do that. An increase in staffing and health promotion staff would allow us to keep our nursing and medical staff in the centre and have health promoters go out into the high schools, again in an illness-prevention model.

The committee may not be aware that community health centres have not received an increase in the salary line budgets of our funded programs from the ministry in over 10 years. The ministry sets these salaries for us, and yet they have not increased. This has created an enormous amount of pressure among all the community health centres across the province to attract and maintain qualified staff. We would challenge this committee to find one other area of health care where they have not received a salary increase in 10 years.

I don't think I am going too far out on a limb to suppose that some of the most frustrating calls that members of this committee and other MPPs take from their con-

stituents are from those who have dissatisfaction or frustration at not being able to access health care services, primary care. Our plan, by increasing funding to community health centres, will be one large step to improve this.

Mr Bowman: In summary, the community health centres are in their fourth decade of providing high-quality, comprehensive health services to high-needs groups in communities. Our centres feature a multi-disciplinary team. Our centres provide 24-hour access to coordinated services. Our centre model is built on a broad understanding of the determinants of health. Our providers promote illness prevention and health promotion. Our centres have invested heavily in information technology and we can measure what we do and what we achieve. Our centres have a high level of patient satisfaction. Our centres are community-based and reflect the health and service needs of their communities. Our centres are accountable. We enter into service agreements with the ministry. We are governed and managed by local people and we submit to outside review through accreditation processes.

What we hope to accomplish today is to re-establish our presence and worth in today's health system and to state very clearly that the key health directions the government has identified as priorities are areas in which we have a proven track record of accomplishment.

We understand the government has made primary health care reform expansion commitments with the Ontario Medical Association, but we hope the government would keep an open mind on other models that can help the government achieve its objectives. We are one such model that can meet these objectives, but we also meet other objectives, like wellness and service. The health care needs in many communities of this province should not be put on hold and made to wait while the government and OMA figure how best to implement primary health care reform. We have a service model that works in this community.

We understand the committee cannot endorse our 65-centre comprehensive expansion proposal until more details are known around the government's primary health care reform expansion plans. Yet we think our phase 1 proposal is important for the health system today to begin rolling back the gaps in services which have popped up in several Ontario communities.

We're proven. We have a plan. We hope you will see the merits in this plan. Thank you for listening to us.

The Chair: Thank you very much. We have two minutes per caucus, and I'll start with Mr Galt.

Mr Galt: Thank you very much for the presentation. Interesting content, and what you people have been doing certainly when it comes to health care, it's probably the most difficult one financially to get our hands around and keep funding and increasing at approximately the rate of 10% per year. It's becoming pretty scary for a lot of provincial governments right across Canada.

The program that you're mentioning, I get from your presentation, is pretty specific to your area, but there are

other, similar ones in other parts of Ontario accomplishing the same thing. Is this very unique here, or are you familiar with others that are kind of similar?

Ms Gordon: I'm familiar with the other community health centres because the executive directors meet on a regular basis. Probably the model of the Sandwich community health centre would be similar, the most common model where you serve a geographic area with a designated population and provide all the services to them; the Teen Health Centre; and there are about four others that are primarily youth-focused to identify those specific needs of youth.

Mr O'Toole: Just a quick one.

The Chair: Very quickly.

Mr O'Toole: I was in Sault Ste Marie yesterday, and I do want to commend you for bringing a cost-effective, accountable model forward.

Just one question. The OMA is sort of the gatekeeper. Yours applies rostering and other kinds of relationships with patients. How do you see the relationship with the OMA and the OHA, where they then became a resource for the community health manager like you, saying what resources, whether it's children's mental health, whatever, playing a less dominant role in allocating dollar resources? Is there some new governance model—district health councils, community health—that you could sort of break out of the paradigm and you be the box, the intake, and they just be resources? What do you think about that?

Ms Gordon: That sounds terrific. We could be the gatekeeper, sure.

Mr O'Toole: The OMA wouldn't quite accept that, though.

1240

Ms Gordon: No, I don't think that would be popular with the OMA. If you look at family health networks in that model—and the government has made that commitment—I can tell you from informal discussions I've had with physicians in town, it isn't popular in Windsor and they're not banging down the door to sign up.

The cost-effectiveness of our model is that we use, and we have, salaried nurse practitioners. Particularly in our centre, and I know in Sandwich as well, they can take care of the majority of health needs of the clients who walk in the door, and it's probably \$40,000 a year less in salary. When I compare the salaries we pay our physicians to what they can make in a walk-in clinic, for every hour they work for us they lose about \$40 to \$50 an hour. The people who work with us are very dedicated; they're there for very good reasons. But it is a much more cost-effective model, and it's a holistic treatment. So while a visit may take a little longer, you're treating the whole person so there's not that repetitive coming back again and again.

Mrs Papatello: There's specifically a great role for community health centres to play in areas of Ontario that are underserved. We've advanced this notion for the last seven years as at least a stop-gap measure until we get our physician count up in Windsor and Essex

counties. Since that time, though, most of Ontario is now underserved, so it stands to reason this can be a stop-gap for several years, until we find some solutions that the government has yet to embark on to change the ratio of doctors. Moreover, the community health centres are really the concept that the family health networks are based on, because they do have that holistic approach. What is interesting is that it's often the hardest to serve that you'll find in a community health centre, versus the skimming of the best patients that is likely still to happen if they ever get the family health networks off the ground.

I just wanted to share with the committee right now that it's not just in Windsor where we're having a tremendous difficulty with our doctors wanting to sign up. Doctors across the province do not want to sign up, for very good reasons, one of which you stated. Just practising in a clinic they're able to make much more money and not have the obligation of keeping files on patients, so you have no continuity of care, yet our patients are forced to go to the clinic because we're such an underserved area.

Commenting—I've seen your work. At the provincial level, it is important that the members of the government on this committee understand the role that community health organizations play in their own communities, including the member from Northumberland.

Mr Christopherson: It's good to see you. I was interested that given all the good things you're doing, you're doing them in the context of salaries that have been literally frozen in your budgets for 10 years, if I read this correctly.

Ms Gordon: Yes.

Mr Christopherson: "The committee may not be aware that the salary budget lines of community health centres have been frozen for the last 10 years." I'm assuming you haven't asked 100% of your staff to take no increase for 10 years, although I guess that's possible. I'm curious as to how you've managed around that. I would think you've probably taken from other areas, but I'd be interested to hear.

Ms Gordon: Government policy is that we cannot pay beyond the salary range. We do get funding from other areas, and we use that. People have to basically increase their hours and pay them through different funding, through a Trillium grant, through Ontario Women's Health Council, that sort of thing. But it is very difficult to keep and maintain staff. There is a grid, so if you started 10 years ago at the bottom, in five years you would be at the top.

Mr Christopherson: Right, but you have to find the money for that and this line has to reflect that. I'm curious. What rationale does the government use for freezing a salary budget line for 10 years? Certainly they didn't think that was important to do with MPPs, but it seems to be—

Mr O'Toole: We decreased ours.

Mr Christopherson: Just hang on. It seems to be that that is what they expect you to swallow. What argument

do they give you at the table when you say, "Hey, 10 years is a bit much. We need an increase in the salary line"?"

Ms Gordon: I have only been involved with community health centres for the last few years, but for a long time they said the government was planning a strategic review of the community health centre program and so really couldn't make any changes until that was done. That has been done, although not released publicly at this point. The rumbling we hear from the civil servants is that certainly would be in their business case, to go forward to the ministry. The program consultants in Toronto are very understanding of the fact and supportive that there should be some increase to that in order to retain, because there are certain health centres that can't even attract doctors to come.

Mr Christopherson: Striking a report and a review, of course, is the political equivalent of "the cheque is in the mail."

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

TRANSIT WINDSOR

The Chair: Our next presentation is from Transit Windsor. I would ask the presenter to come forward; if you could state your name for the record, please. On behalf of the committee, welcome.

Ms Gabrielle McMillan: My name is Gabrielle McMillan. I'm the director of administration. I understand our national organization, CUTA, will be making a presentation in front of the committee on Friday, but our community would like to make a presentation to let you know the importance of transit funding for us.

Firstly, I'd like to take the opportunity to thank the provincial government for its recent approval of funding for capital for transit authorities. It was a much-needed first step, and I would emphasize the need to institute ongoing sustainable funding for the long term in order to meet expansion and replacement needs. The 10-year provincial transit investment program needs to be delivered. In addition, municipalities must have the flexibility to invest the monies in capital or operating budgets for public transportation based on local need. Although this funding is a step in the right direction, it is not adequate to meet transit needs. The transit industry recommends that the provincial government supplement current public transportation commitments by earmarking 3% per litre of current gasoline taxes collected in municipalities for transit systems.

Windsor is a border crossing. Improved equipment would assist in reducing the congestion in the tunnel, particularly during the summer months. A single bus can carry as many people as 40 to 50 cars. Transit Windsor's fleet has an average age of 14 years, with our oldest bus in service being 35 years old. Commuters are not using the system in the tunnel, particularly in the summer, as our equipment is old and not air-conditioned. It is critical

to have the capital dollars to institute a bus replacement program in order to have a chance of increasing ridership and taking cars off the road. The lack of sufficient capital funding mechanisms in place to accommodate the changes in funding have led to the deferral of bus replacement, which has resulted in higher maintenance cost and reduced reliability. It has also made it difficult to accommodate any form of expansion or pursuit of new riders even when the markets are there.

I'm sure you're aware of all the statistics regarding air pollution and the impact on the health of Canadians, but I think they bear repeating today. Seventy-five per cent of all Canadians feel air pollution is affecting their health. Sixteen thousand Canadians die prematurely each year as a result of high pollution levels and poor air quality. The number of children hospitalized for asthma increased 23% between 1980 and 1990. Getting cars off the road can help. Using transit reduces CO₂ emissions by 75%.

Transit funding has declined 43% in Ontario over the past five years. Public transit infrastructure in Ontario needs \$5.4 billion over the next five years to replace or renew existing equipment and meet growth demands. The transit industry needs your support and we hope you will give serious consideration to our needs when setting your budget. I thank you for the opportunity to speak today.

The Chair: Thank you very much. We have four minutes per caucus, and I'll start with the official opposition.

Mrs Papatello: We had an opportunity to speak to Transit Windsor. Provincially, all of the MPPs hopefully will have had a chance by now to meet with their local transit representatives to bring some of these issues to light.

A couple of things crossed over that are important to a city like Windsor with some of the recent health reports: for example, the environmental friendliness of using transit, for one, is particularly important to our area, where we've had recent reports, and several that have been referenced today during committee, about increasing health risks; many feel it is environmentally based or pollution-based and the benefits, then, of transit and the kind of funding that's going to be required for that. The difficulties in a town like Oshawa or a city like Windsor, who are so automotive-based as communities, is that it becomes even more difficult. It is a struggle to have virtually few marketing dollars, if you will, to do the proper promotion of a fare increase, let alone using transit.

I wonder if you can speak for a moment about what exactly you do to promote things that were always in the public interest and why the Ontario government was always involved in transit, because there were greater for-the-good-of-society issues that were involved in using transit.

1250

Ms McMillan: You spoke basically about the environmental issue. Part of the need for requiring additional funding from the province for transit is with respect to the equipment. You're right; this is an auto-

motive town, and we have to have something to encourage people to get out of their vehicles and get on a transit bus. It's not just marketing; it has to have a vehicle that is enough to make them move. If you can take your air-conditioned car through the town or sit on a city bus that's not air-conditioned, that's not a hard choice for people to make in this town. That's part of our problem. We have 20 vehicles out of 100 that have air conditioning. Those are our low-floor vehicles, so those are dedicated to routes for handicapped accessibility. They're not dedicated to getting people out of their cars and into the buses.

We also need to do a lot of promotion with the Big Three, with the automotive companies here. That's a marketing strategy we need to develop that we don't have dollars for right now: to encourage them to get out of their vehicles and get into the bus.

We'd also like to encourage employers to look at employer-paid bus passes. We are lobbying the federal government to have that as a taxable benefit for an employee if they're given a bus pass to get out of their car and use the public transit system.

So there are a lot of challenges, you're right, in an automotive town, but the health issues here are very critical, and we believe public transit can help relieve some of that pollution and help address some of those issues.

Mrs Papatello: I don't know how much time we've got left here. It puts us in quite a quandary, because we want to build more cars and we want people to love their cars. So you do face a significant difficulty in your job here at Transit Windsor, more so than other communities, but I think some who are here today from the Oshawa area would understand it more.

As well, what do you do about the capital cost required to repair buses? What do you do now in terms of your budget?

Ms McMillan: Right now, to repair or refurbish a bus, that is taken out of operations. So when we do get capital funding such as the capital funding that came down, that doesn't help deal with the existing buses that need to be repaired to keep them on the road. Actually, the funding Transit Windsor got will purchase two vehicles. We need to be on an ongoing replacement program in order to replace our fleet. As our fleet gets older, we're spending an awful lot of our operational dollars fixing and replacing those vehicles as opposed to putting them toward a marketing plan or improving the service.

Mr Christopherson: Thank you for your presentation. I think public transit is going to continue to be a growing issue as we move through these hearings.

It's interesting to hear you talk about the impact of air conditioning. I can remember raising the issue of air-conditioned buses in Hamilton when I was on city council in the 1980s, and to listen to the reaction of some councillors, you'd think I was suggesting putting in gold-plated toilets, for God's sake. I agree with you entirely; the reality is, when the average middle-class working person has an equal choice in their mind between their

car or the public transit, and the public transit is as efficient, as comfortable and as decent an environment as your own car, with the added benefit that you don't have to give a thought to it—you just get on, you're taken there and let off—then we'll be where we need to be. Right now, I know in Hamilton, and I'm sure in Windsor and other communities, that is still seen as "those who can't afford a car," or for some reason or other they don't have a driver's licence or because of a medical condition they can't drive. It's only in the negative. If you can't take your car, then you take transit. That really is the view. I would hope—and I think I hear you sharing a similar vision—that in the future we'll have a whole different view of that, but it does mean governments have to readjust their thinking.

I think one of the key answers is going to be environment. Windsor is very much like Hamilton in terms of air pollution being a key issue. It's an issue that affects us not only in terms of drawing investment but it affects the health of our children. When we look at the toxicity of the fumes from vehicles alone, eventually we'll get there. The question will be, will it be too little, too late? We still have an opportunity now to make a move. Any thoughts you have on that I'd appreciate hearing.

One specific question would be, I'm curious as to what percentage of your overall revenue you generate from the fare box and how that fits in terms of the ranking of other comparable municipalities across Ontario.

Ms McMillan: I'll answer that question first. We get 60% from our fare box. We have probably one of the higher fares. Our rates just increased. We're at \$2.25 for an adult cash fare, and that's fairly significant. That's almost as much as the TTC, so that's fairly high. That relates to the level of funding we're getting municipally, where we have to raise at least 60%. So that's where we are at, and we are on the high end of fare rates.

As far as your comments with respect to the air quality, you're absolutely right. The majority of our ridership right now are people who have to take transit; it's not people who choose to take transit. That's the market we need to get to. The only way we'll get cars off the road is if we can encourage people who have a choice, rather than no other choice but to take transit.

Mr Christopherson: Exactly. An important part of that is making the public argument, and you've done that today, and very well, too.

Mr Galt: Thank you for your presentation. I have a question. I'd just like to relate a couple of things. Recently the select committee on alternative fuel had an opportunity to see Calgary. Their fare box is approximately the same as yours, 55%, and there is zero provincial support. They call it "Ride the Wind." The energy for it is provided by 12 windmills. It was quite interesting to see the operation. The total downtown is free ridership, to encourage use of the system. To park is very expensive. They will only allow one parking spot per 1,500 square feet of development. This free ridership in the downtown core really promotes ridership and encourages the use of that system.

This is not coming as a government suggestion but rather from that committee and some of our discussions. That's where I'm coming from with my question, and it has to do with the gas tax. I've had many requests in my area that the municipality get a portion of that gas tax. If that should happen—and I underline "if," being on the government side; it's coming from the committee—would you and your transit system be willing to dedicate all of that to vehicles that would use alternative fuels and the purchase of those alternative fuels?

Ms McMillan: If that was the basis for the funding, then we would do that. Right now, alternative fuels are an extremely expensive venture. We have looked at it. We have actually fitted almost the majority of our buses with 0.1% emission kits, which actually reduce the particulate emissions in the air. So we are trying to do what we can with what we have to reduce the pollution that our own buses give out. Obviously we are all looking toward alternative fuels. The best for everyone is to have a bus that doesn't emit pollution and cars that are off the road. So certainly we are in favour of doing that.

I'd just like to make a point on what you said about the parking. You're absolutely right: when you have expensive parking or no parking in an area, it does encourage transit use. Free parking or cheap parking is a disincentive to using the transit system, and that's something we struggle with as well. Clearly businesses in downtown Windsor would like to have reduced parking to encourage people to come down, so you're always stuck in a bit of a Catch-22 situation. If you increase the parking, people might not go down and not take transit, but when you reduce it, you reduce the probability of people using transit.

Mr Galt: It's interesting; you have a city that has a lot of vehicles being produced, but in this case, Calgary is the oil centre of Canada and they've gone to their transit being powered by the wind. Once we open up our market on May 1, if wind power is available—I guess you're not on an electric system here, though.

Ms McMillan: No, we're not.

Mr Galt: So that question is not applicable. Anyway, thanks very much for your response.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon. Good luck.

This committee will recess until 2:30 this afternoon.

The committee recessed from 1259 to 1430.

WINDSOR AND DISTRICT CHAMBER OF COMMERCE

The Chair: Good afternoon, everyone. I'd like to bring the standing committee on finance and economic affairs back to order.

Our first presentation this afternoon is from the Windsor and District Chamber of Commerce. I see that our presenters are already in place, so could you identify yourselves for the record. On behalf of the committee, welcome.

Ms Linda Smith: Thank you. My name is Linda Smith. I am the president of the Windsor and District Chamber of Commerce, or staff, here in Windsor-Essex county.

Mr Tim Fuerth: My name is Tim Fuerth. I'm a member of the board of directors of the Windsor and District Chamber of Commerce and I'll be the primary presenter today.

The Chair: Go ahead, any time you're ready.

Mr Fuerth: Thank you, Mr Chairman and members of the committee. I suspect that probably our presentation this afternoon will vary somewhat significantly from some of the presentations you've heard this morning. Probably the presentations following us will be somewhat different as well.

The Chamber of Commerce, as you know, has been the voice of business. Our little region of the world, Windsor-Essex county, has a GDP that exceeds many of the—I shouldn't say many of the provinces in the country, but certainly some of the provinces in Canada and several countries around the world.

There is a submission; I assume that's been handed out in hard copy. I think you'll find it a fairly comprehensive submission. I don't intend to go through the submission in explicit detail, other than to really touch on some of the main themes, so that we have opportunity for dialogue and questions subsequently.

The main themes in our presentation really circle around a few items. One is, from the chamber's perspective, we believe that in setting the budget for 2002-03, a zero deficit should be the norm, be the criterion that any budget item is measured against. The province has come a long way in terms of reducing the annual operating deficit from over \$10 billion annually in the early 1990s to now being a balanced budget. We believe that confidence in the province by the business community requires that a deficit be avoided even in these current difficult times.

The second theme that we've highlighted in our summary recommendations is that debt reduction should continue to be a priority. In last year's budget there was a commitment of \$3 billion to debt reduction. We certainly would like to see that continued and in fact expanded. We're concerned in the current environment, where interest rates are certainly the lowest levels in quite a number of decades, that there would be a tendency to take our eye off the ball with respect to debt management, debt reduction, because constant dollars will be able to service higher and higher levels of debt. The flaw in that approach, of course, is that in the years when the interest rates invariably increase, which they will, we'll be stuck with that higher debt and having to service it and it will take away from resources that will be available to fund other priorities, whether it be health care, education or tax cuts.

The third plank of our submission is that we would certainly like to see the tax reductions that have been announced in previous budget documents implemented as planned, that there not be any delay in the imple-

mentation of those tax initiatives. In the current environment, with the contraction of the economy, we acknowledge that there isn't a lot of room in the 2002-03 budget for increases in tax cuts, additional tax cut programs; however, we do think that there are some less costly intermediate and shorter-term programs that can be followed.

That's really the thrust of our presentation. What I'd like to do, as far as this presentation, is to not go through in detail, but perhaps if you'd flip to page 13, I'm going to change the format a little bit. Rather than talk about a series of tax initiatives and those types of things, I'd like to focus on some of the local issues that I'm sure will be near and dear to Sandra's heart.

The first one, I think we all are aware, was September 11 and the events that happened. Being a major border crossing in Windsor, the accessibility of free and efficient flow of goods across the border to our largest trading partner, the United States, is of paramount importance, not only for our region but for the province and for the country. For years and years, as a resident of Windsor, I've been dismayed personally and I think our Chamber has been dismayed with the lack of progress on resolving some of the systemic and the infrastructure issues that deal with the efficient flow of trade. Some might say that's a Windsor issue, it's not the rest of the province's problem. The fact of the matter is that this is the busiest border and the greatest amount of goods flow across this border than any other border crossing in the country and it's of vital significance to continued economic growth and competitiveness.

A number of companies in this region of the province are in the automotive sector. Rarely a week goes by where you don't hear some comment or see some evidence that investment decisions that are being made, invariably in foreign jurisdictions, whether it be Germany or the United States, are starting to get a bad odour to them in the sense that Canada is going to be getting in the future the short end of the stick on a lot of these major capital investment decisions unless we can at least demonstrate that we are assertive and that we're committed to dealing with the border crossing issue.

The second issue is a corollary to the border crossing issue, other than the efficient flow of goods. It is the link—if you drove into Windsor, you would have driven down the 401 and all of a sudden hit a roadblock on Huron Church, a stretch of road which, under restructuring back in 1998, was required to be maintained at the expense of local taxpayers, whether they be corporate taxpayers or property owners on a residential basis. We've recommended in our submission that the province, in conjunction with the federal government, immediately take steps to pick up the tab for maintaining Huron Church. We believe it's imminently unfair for local taxpayers to be supporting that vital international transportation link that benefits the entire province as well as other regions of the country.

Another thing, in terms of summary, that we've touched on is health care. Many of us who live in this

region are very much dismayed with recent reports setting out the high incidence of heart disease and cancer in this region. There's no shortage of hypotheses as to what's causing these things. Certainly one thing that we'd like to see is that the per capita health care funding in the Windsor-Essex county region be at least on par with other regions in the province. Currently we're far below that. There are going to be tremendous competing demands for resources, including health care, in this region. It seems to us that with the incidence of illness, the incidence of death in this region, we have certainly a very strong argument for committing additional funds to this area, perhaps rather than in the health care sector in terms of bricks and mortar, hospitals, in the wellness area in terms of reducing all those kinds of illnesses that we're faced with every day of the week if we have friends who are passing away, those types of things.

The last item that I'd like to touch on is the suggestion for a regional infrastructure authority. I don't believe this is a new concept. Certainly in this region we've gone from 21 municipalities to seven municipalities and barely a week goes by where we don't see bottlenecking, where we don't see roadblocks in relevant, rational, objective decisions being made with respect to infrastructure, whether it be new roads that will benefit the entire region or whether it be water treatment facilities.

In today's Windsor Star, if you happened to read it—it might have been yesterday—there are a couple of local issues where the town of LaSalle actually is looking to build their own water treatment facility, notwithstanding that Windsor has the capacity to handle that. Another recent example in this area is the town of Lakeshore, which is immediately to the east of Windsor. It is actually looking at expanding their water treatment facilities for drinking water, notwithstanding that Windsor has both the capacity to handle their water requirements and is prepared to do it. I would submit the issue is one of political interference for various motivations and/or an unwillingness to co-operate on a cost-effective basis.

Again, it's not a new initiative but it's certainly one that we see—all those initiatives that I've outlined—as being critical for improving the competitive climate of Ontario and certainly the region, and also ensuring that value for money is being received on tax dollars that are being expended.

Those summarize the global issues. I've kind of jumped around a little bit in our submission. I've also set out in the submission—I believe they're on page 7—suggestions that we've brought about for sustainable prosperity. As you might expect, being a chamber of commerce, we've certainly looked at areas where there are opportunities for efficiency, duplication of effort. Some of these are new, some of them not so new. There are items that I'll walk through very quickly in the interest of allowing time for questions and answers.

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The first item we've suggested is the elimination of capital taxes. This again is not a new submission. It's one that's been studied by various levels of government. It's

a job killer. It's entirely insensitive with respect to profits. To suggest how silly it is in terms of increasing Ontario's capital investment in this province in competitiveness, if I have a company and I owe money, the easiest way that I reduce my capital tax liability is to buy a bond. I can buy a bond, whether it's government of Canada, the province, any bond. I am doing nothing to improve the competitive capacity of the province, but I'm reducing my capital tax. I submit that that's counterproductive to the direction we want to take in this province in terms of increasing competitiveness and enhancing the investment in this province in capital assets. Again, it's not a new issue but I think it's probably a relevant one.

The second and third items are somewhat linked. That deals with the clawback of the small business deduction where, under the current tax regime, over a certain level of income the small business deduction is clawed back. I don't want to waste a lot of time on this point. It's not a new issue.

One thing we've suggested which we think may be new, as perhaps a suggestion to take a middle ground on this, is to allow a small business deduction room. The analogy to this would be your RRSP contribution room. You all file personal tax returns. You're familiar with the concept of your RRSP contribution room, where you're entitled to make those contributions and claim the deduction when it suits you best, based on your personal circumstances. With the small business deduction contribution room, we're suggesting that with the inevitable peaks and valleys of the business cycle, if a business doesn't use the small business deduction room in a year, they be able to take that room and carry it back to a previous year or carry it forward. So the business cycle won't interfere with their ability to access that tax incentive on an ongoing basis.

The elimination of the corporate minimum tax: again, I don't want to waste a lot of time because you've heard it probably ad infinitum before. In our view, it's a very important item to deal with because our belief is that it's very inefficient in terms of the cost of government, the cost to the business sector to comply with this legislation, and the tax revenue that is actually generated from it is not sufficient. There are a number of other points that I will leave to your leisure reading to determine whether the points we've raised are appropriate.

In the fifth point, we're suggesting that there be a continuing emphasis to streamline government collection activities and really to reduce duplication in the government. We talked earlier with one of your members about the Red Tape Commission and their work. We've suggested some examples of some things that we believe, from the business community's perspective, are easy to accomplish and don't cost a lot of money—in fact, the government will save money—things as simple as the fact that every organization in Canada, including charities and non-profits, has a business registration number that's assigned by the federal government. The question has to arise, why can't we use the same number for EHT, WSIB, Ontario retail sales tax, corporation tax ac-

count? And there's probably a host of other different account numbers that are maintained at the provincial level that I'm forgetting or I'm not aware of.

The federal government, for its part, has actually done that. They have one number and they put a suffix at the end of that number to denote which account it is, whether it's payroll deductions or GST and so forth. I am submitting that it would improve efficiency and certainly simplify the system if those numbers were adopted at the provincial level.

We've also indicated that a number of the taxes that employers have to remit—WSIB, workplace safety, EHT, CPP, EI, income tax—are payroll-based taxes, and by and large the formulas for calculating those taxes are identical. We're suggesting there should be one agency that administers those programs as far as collection so that an employer has to remit to one agency, setting out the various amounts they are remitting with respect to each of the programs for then passing those funds on to the agency. We believe that will reduce a lot of the red tape, a lot of the inefficiency, and not only save businesses money but save government money in terms of the cost of collecting these taxes.

The last one is a minor one, but I do think it emphasizes the silly result that we have in some areas of the income tax system. Each of us, when we file our personal income tax return, gets a basic personal tax credit. As you probably all know, the credit is slightly different federally and provincially. I've set out in this demonstration that the federal exemption is \$7,634 and the provincial exemption is \$7,686. As an employer, I have to get a separate form from each employee documenting the exemption they're entitled to. I also have to maintain that form and to set up a separate tax calculation based on that exemption that's different from the federal level. If you flow it through, for someone earning up to \$30,000 a year in taxable income, it actually results in an additional pay every week of four cents, based on a 52-week pay period. So an employer is having to go to all these expenses so the employee receives four cents extra net pay, notwithstanding that when that taxpayer filed his tax return at the end of the year, he'd still get the money even if the employer didn't. We're asking that these kinds of silly little things in the tax system be harmonized to reduce the employer's requirement to maintain separate files and to do separate calculations.

We've also seen a greater incidence, with the downturn in the economy and the slow processing of corporate tax refunds, of loss carry backs. I mentioned earlier that the business cycle invariably results in taxable income of corporations going up and down. In the current climate, many corporations are sustaining losses, tax losses as well as cash losses. In an effort to carry back those losses and recover taxes paid in previous years, a right which even individual taxpayers have and will utilize, the province of Ontario has a unique regulation dealing with these refunds that if it's over a predetermined amount, there has to be an audit before that refund cheque will be cut. So we find ourselves in many cases in silly situations

where we file for that refund and, if we get a refund from the federal government, many times months and years after we've gotten the money back from the federal level of government, the province is still waiting to knock on the door to do their audit before we can get our refund.

We're suggesting that, like individuals, corporations are entitled to that refund expeditiously. Certainly the auditor has the right to come and carry out their audit and to reallocate their resources to do so sooner rather than later if that's how they wish, but we believe it's unfair—and not only is it unfair; it's ineffective and inefficient—to hold on to those funds, because those businesses need that money, which is really money they've already paid previously in taxes, to continue in many cases to stay afloat. A minor change, again, and not a great deal of cost, but we believe it's one that's important, and frankly it's fair and equitable.

Item number 7—and if someone wants to let me know if I'm running out of time, please do so. I'm coming close to the end.

The Chair: You've got three minutes to go.

Mr Fuerth: In item number 7, we've recommended that with the health care system being under tremendous stress and various levels of government—the federal level, the provincial level—trying to control their costs in that area, invariably it has resulted in many of these costs being paid for by individuals or, in the case of the business sector, employers who offer private health care plans to their employees. Currently there is a tax on the premiums that employers pay on those health care premiums. We believe it would be fairer, given in effect the escalation in the costs of some of these premiums—we've heard at the municipal level that the escalation this year alone is in the range of 25%, and certainly many employers have seen double-digit increases in their premiums. We believe it would be fair and equitable to at least eliminate the tax on those premiums.

In the interest of allowing time for questions, the other two items are self-explanatory. Again they are examples of where we believe that with a minimal or no cost, efficiencies can be derived. One of them is increasing the threshold for tax instalments, both personal and corporate. Because of the low interest rates now, we have a hard time getting our minds around the value of money today compared to what it was 10 years ago when interest rates were 10%, 12%, 13%, 15%. Now, when it's 2% or 3%, the value to the government of having those funds earlier may not be as high as what it's costing to process those instalment accounts. Again, it's a simple suggestion that in the current climate we believe merits review.

I would like to thank you for your attention. Hopefully you will find our submission to be informative, comprehensive, and probably a little bit controversial, but hopefully it's good reading.

The Chair: There's less than one minute total for questions, so I'll allow a very brief question from each caucus, quick and to the point.

Mr Christopherson: Thank you for your presentation. You'd make a good politician: say one thing and do another. "I'll leave lots of time for questions," and then use it all up.

Mr Fuerth: I've been here before.

Mr Christopherson: I know you have, and I'm sure you're getting some good advice from your friends.

I'll try to put it in a nutshell. On the first page, page 2, I quickly counted eight tax cuts, and included in there was \$3 billion or more to debt, at a time when we've been told that we're between \$3 billion and \$5 billion short on the budget. I understand your absolute fear of deficits, but with the US government, nobody has accused Bush of being some kind of left-wing socialist. He's going to run a deficit because he realizes he's in such a crunch.

Earlier today we heard from some people in your own community who talked about the fact that 15% of children in Ontario are in poverty, but in your community it's 18%. There are 800 children on waiting lists for mental health services, and we heard in very great, graphic detail what this means for those individuals and those families. Then there are the hospital costs; there are all these other things. As a citizen, I'd like to know how you feel justified in saying, "All those things are second, tax cuts should continue to be the priority," especially when we've had tax cuts for the last six years and all these other areas have fallen anyway. Nobody benefited long-term in the areas I've just raised. How can you take that position?

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Mr Fuerth: First of all, we haven't said that tax cuts are the priority. What we've said is, having zero deficit is a priority. We're not here to say that we should be taking funds away from, for instance, health care and contributing it to the business sector. What we're suggesting is that the first pillar of the budget should be a zero deficit. If that means no one gets their wish list, that's what it means, but that has to be the plank for this budget.

When you talk about the US as an example in deficit spending, I think you have to look at the two economies in relation to each other. Canada's GDP contributed by the government sector is, as a percentage, significantly higher than in the United States. Even with the increased spending in the United States, the percentage of the GDP that gets contributed by the government sector in the United States is still light-years away from where we are in the province of Ontario, and in the country, not just the province of Ontario.

The Chair: Mr Spina, briefly.

Mr Spina: Quickly, on the cross-border transportation issue, there are 16 lights between Mexico City and Montreal; nine of them are on the Huron Church Line. The feds and the provincial government, from what I understand—please tell me if I'm wrong or out of line—would be happy to do the direct connection of the 401 right to the bridge. But the bottleneck seems to be the city because, I gather, you've got businesses along Huron

Church who suddenly feel like they're going to get bypassed. How do we resolve this?

Mr Fuerth: I guess I answer the question by responding that I'm not aware that the city is the bottleneck. Certainly the local community will have concerns. I think that the city, as a result of the events of September 11, more than ever is cognizant of the consequences of not having an efficient transportation link between Highway 401 and the two border crossings that we have. In speaking with representatives from the city, they're certainly alert to the importance of that. Although they have an obligation to represent regional interests, the residents, their taxpayers, I do believe they're at the table when these discussions take place.

Mrs Pupatello: Thank you for your presentation today. You're right, I'm very surprised by the total content of your package today. You tend to focus on tax issues. I have to say that your presentation reflects the work of the chamber, in this last year especially. Linda, I know you participated a great deal at a high level on major issues. It's funny enough for the chamber to be participating in these enormous social issues, because ultimately the neglect by the provincial government for the south-western region, in particular the areas of education and health care, is now coming down to the level where it is seriously impacting the economic wealth of the area and companies are starting to suffer, hence your major involvement in the issue of doctor recruitment, for example, the chamber of commerce having to be a participant on a committee to recruit doctors; the issue of education on the apprenticeship training and the lack of skilled trades for the area.

These are tremendous issues for us to deal with. As mentioned earlier, children's mental health has a significant impact on our education, which is a major player in attracting young families to stay and work in this region.

I really appreciate that the chamber has taken the time today to speak at a finance committee hearing to talk about these major social issues that are having a tremendous impact on our business. In the seven years that I've been here, I can honestly say that I haven't seen such a well-rounded discussion of all the issues, finally. I appreciate that, and the role the chamber has played in some major social issues in our area.

The Chair: On behalf of the committee, thank you very much for your presentations this afternoon.

WINDSOR AND DISTRICT
LABOUR COUNCIL,

CANADIAN AUTO WORKERS LOCAL 444

The Chair: Our next presentation will be from the Windsor and District Labour Council. I would ask the presenters to please come forward. For the record, could you state your name. On behalf of the committee, welcome.

Mr Gary Parent: Thank you very much, Mr Chair. My name is Gary Parent. I am the president of the Windsor and District Labour Council. To my left is Nick

Laposta. He is the financial secretary of the Windsor and District Labour Council.

Before we go into our presentation, I want to preface my remarks by speaking on the previous presentation that was given by the chamber. I want to say, which is normal in the city of Windsor, that we do agree on one thing: there has to be some infrastructure change with regard to the whole question of the border crossing. I am not necessarily totally convinced yet that it's here in line, that's for sure, but I do know that we have to have some type of infrastructure change. Actually, as you go through our brief you will see that we do make some remarks with regard to the whole question of infrastructure.

I'll have Nick begin the brief and then I will pick it up midway through.

Mr Nick Laposta: Thank you. First of all, just off the cuff, I want to thank everybody personally for allowing this presentation today. Quite frankly, I recognize a great many people here from other, as we refer to them, horse-and-buggy shows that have come here to Windsor. But I want to say to everybody, you all look much better in person than you do on the parliamentary channel, honest to God.

Mr Christopherson: Even O'Toole?

Mr Laposta: Even O'Toole.

Mr Spina: We wouldn't say that about Sandra.

Mr Laposta: Sandra always looks good, especially in this community.

We would first of all like to thank you for the opportunity to present to this committee the views of the 60,000 unionized workers in our community, retirees and their families in the Windsor and Essex county area.

We're going to start off with the additional health care funding that is really needed. The current government, since coming into power in the province of Ontario, has continually introduced privatization into our health care system which, in our opinion, has not provided the best health care for Ontarians.

Other jurisdictions, such as England and New Zealand, that have tried this type of privatization in their health care systems are now attempting to reverse their systems because they have failed to provide the type of care needed for those systems and the type of care demanded by the citizens who live within those systems.

We know that some in the government will argue—and this provincial government does just that regularly—that health care spending has increased by approximately 28% over the last five years, which is true. But what these same people in government fail to tell the public is that health care spending in the mid-1990s was interrupted by an unprecedented five-year period of decreased spending between 1993-94 and 1997-98. Even though spending in 2000-02 was 15% higher than the level in 1991-92, this is still less than would have been spent had the trend before 1993-94 continued.

We implore this government in this budget not to go further down the privatization road, which has been shown in other jurisdictions to be a failure, but to

adequately fund our system so that it can continue to be a fully universally accessible, publicly funded and managed health care system. The only way to start doing that is by making sure you start off with the tools you need to run that type of system.

In the area of hours of work, we submit that the government has bowed to the business community in this province with regard to the hours of work and has moved to a 60-hour workweek without, in our opinion, any studies being made on the effects this would have on workers and their families. Again, we see jurisdictions in Europe reducing the hours of work in their countries to 37- and 35-hour workweeks, but not here. We have moved from a 48-hour workweek to a 60-hour workweek.

We know those on the government side will say it is only voluntary. Well, the government has to get into the real world. One only has to look at the recent 10-week strike at ADM, where 92 workers were on strike to fight against this same legislation, which is supposed to be voluntary.

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We believe the effects these expanded hours will have on families will strain all of our social programs, because of the added time away from their families and the added stress from work hours. This is obviously something that always brings people apart and drags them down. There are studies on the books that show that.

We implore this government again to rescind this draconian piece of legislation that will further add financial stress to the bottom line of this province.

In the area of affordable housing, which we believe is a must, what did this government think was going to happen to people whose social service benefits were reduced by 21.6%, and at the same time as rent control has been eliminated, which has resulted in escalating rent costs for the most vulnerable in our province? On top of all this, there was the wisdom to download the provincial responsibility of non-profit and co-op housing on to the municipalities which, in our opinion, over the long term will prove to be disastrous to those municipal governments. Some are already crying.

The resolve for homelessness cannot be to throw those who are homeless in jail so that they won't be seen or heard. It has to be this government changing these detrimental policies, and getting back to making affordable housing a priority in this upcoming budget, with the commitment to build more non-profit and co-op housing units and revert back to a better rent control system. Remember, one of the things this government stated was that the private sector, which was complaining about co-ops and non-profits, would step up to the plate and fill the void, which has not been seen to be the case.

Child care promises that haven't been kept: it seems to us that this government looks only to the short term, with very little attention ever given to the long term, especially where our children, our future, are concerned. In almost every community across this province, there are waiting lists for child care, yet the government in-

dicates they care about our children. We say to prove this, then out of this budget there has to be a firm commitment to add more child care spaces, so that the future of our province will be more secure. This is another major, important tool. If it's missing, it can't be used.

Monies needed in the area of the environment: in the last couple of months, especially here in the Windsor-Essex county area, we have been presented with the fact that we live in an environment that is causing our citizens to become sick. We have been shown that we have elevated types of cancer, heart disease and many other illnesses that this government has failed to address. This community feels an environmental research facility is a must, and this government should commit to this. We are also asking this government to put legislation that will protect Ontarians from this tragedy continuing, plus to commit to increased enforcement in the environment, which we believe has been highly suspect in the past since the government cut inspectors from this ministry.

We spoke earlier in this presentation about health care funding not being adequate. Quite frankly, this will not get better until all environmental concerns get to be addressed. One of the ways to address them is by having that facility placed right here in our community.

No to privatizing our utilities: that's a mainstay. If anyone's listening, this province is headed for more financial trouble if they go ahead with the privatizing of our provincial utilities when other jurisdictions now realize that after that it did cost more. Corporations, hospitals, school boards and municipalities have already raised concerns as to what this will mean to them, which ultimately affects every citizen in Ontario—higher user fees and higher taxes. We ask the government to delay the May 1 implementation and do what Environment Minister Witmer has stated publicly: there should be a more in-depth review, before implementation takes place, of the long-term effects of such a move.

I'm going to turn this over now to Brother Parent, because I believe he has some very important news in the auto sector.

Mr Parent: The auto industry and Ontario's economy: the auto industry is Ontario's most important industry, directly accounting for close to 5% of the provincial GDP, about 2.5% of provincial employment and about half of Ontario's exports. Billions more of GDP and hundreds of thousands of jobs depend indirectly on the stimulus provided by this high-tech, export-oriented industry.

The decade-long expansion which the industry enjoyed in the 1990s was crucial to the expansion of Ontario's economy. It is important to note that most of the major investments which contributed to that unprecedented decade for the auto industry were in the pipeline long before the Harris government started cutting taxes and slashing our social programs. Those right-wing policies didn't cause the boom in the auto industry, just as they aren't protecting us from the current contraction.

Canada's auto industry peaked in 1999. Between 1999 and 2001 auto assembly declined by 17%, from 3.1 million units in 1999 to 2.5 million last year. It will likely decline by another 10% to 15% over the next two years. Auto parts production, which depends on the assembly sector for its business, is declining in step.

About 12,000 auto-related jobs have already disappeared since the peak levels of 1999 and 2000, half in assembly and half in parts, and virtually all of them in Ontario. Thousands more will disappear in the coming months on the basis of layoff and plant closure announcements that have already been made and continuing weak demand conditions facing many Ontario plants.

The downturn in Ontario's auto industry is not a cyclical problem. It has occurred despite record or near-record sales levels: 2001 was the best year ever for Canadian new vehicle sales and the second-best ever for US vehicle sales. The coming modest economic recovery which most forecasters expect for Canada does not imply that the auto industry will get back to business as usual.

The downturn, rather, reflects a structural crisis in the industry, especially the falling market share of Big Three producers, Canada's diminishing share of new auto investment compared to Mexico and the US South, and deep financial problems in the independent auto parts industry.

The provincial government has a large fiscal stake in the continued prosperity of the auto industry. It receives about \$1 billion per year in income tax payments from employed auto workers, let alone from those in other industries who depend on the auto industry for their livelihoods. It collects over \$1 billion per year in provincial sales tax on new auto sales. It collects additional revenues from corporate income taxes and other sources directly related to auto production.

Ontario's government has refused to become actively involved in promoting and nurturing the provincial auto industry despite its importance to our overall provincial economic prospects, let alone to the provincial government's own books. The government argues that low taxes, anti-union labour laws and smaller government will automatically protect our most crucial industry. But the industry's current downturn proves that business-friendly policies are no guarantee that the auto industry will remain healthy in Ontario.

Ford's announcement that it was to close the Ontario truck plant in Oakville is the latest and most glaring example that you can bend over backwards to make yourself highly attractive to business, yet still be out of work if a foreign multinational decides to close your plant for whatever reason. The Ontario truck plant was 10% more productive and had labour costs 35% lower than US plants which will continue making the same product. Yet Ford is closing the plant, and the provincial government seems powerless to do anything about it.

To protect the hundreds of thousands of jobs and billions in provincial revenue that depend on this crucial industry, the Ontario government must abandon its hands-off approach to the industry. The provincial gov-

ernment needs to have a seat at the table where the crucial decisions about the future of this industry are being made. The provincial government needs to take a more proactive role in recruiting new investment to the industry.

We, the CAW, have proposed a multi-part auto policy for Canada that would involve all stakeholders in the industry—federal, provincial and local governments; assemblers; parts makers; the union; and the research community.

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We have proposed a set of measures that would help the industry adjust to the current downturn, ensure that Canada and Ontario get a healthy share of future investment and address other long-run challenges facing the industry, like technology, foreign trade and the environment.

The Ontario government must be an active player in this new auto policy for Canada. In particular, the government should be willing to provide emergency financial assistance to independent auto parts companies facing imminent bankruptcy in the current downturn; strengthen legal protections for displaced workers by guaranteeing their back wages and pension benefits and requiring companies to negotiate mutually agreeable plant closure contracts; invest on a 50-50 basis with the federal government in improved transportation infrastructure linking Ontario's auto-producing communities with the US border, especially by widening the 401 south of London, connecting the 401 with the Ambassador Bridge at Windsor, and improving border crossing infrastructure in the Windsor and Niagara regions; and participate with the federal government in the creation of a technology partnerships investment fund to assist auto assemblers and parts makers to finance cutting-edge investments in new products and processes.

We have proposed that the federal government pay in \$500 million per year and the provincial government \$250 million. When I keep saying "we," that's the CAW. As I understand, Brother Hargrove will be making a presentation to this committee tomorrow and I am sure he will expand on what I'm saying here today. We have also proposed a ministerial-level task force of auto industry stakeholders to investigate other longer-run challenges facing the industry and report back with policy recommendations by the end of 2003.

What is most important is for this government to abandon its hands-off approach to this most important industry in Ontario. For too long, government has taken for granted the continued success and growth of the auto industry, believing its own propaganda about how low taxes and free markets will protect our long-run future.

Now, unfortunately, it's time to wake up and smell the coffee. This industry is locked in a serious decline, its most difficult crisis in a generation. The jobs and money which this industry has generated, including billions in provincial revenues, cannot be taken for granted any longer.

The provincial government faces a historic responsibility to roll up its sleeves and get to work, playing an active role in protecting and repairing the industry for the next decades.

The recommendations we put before the provincial government are:

- (1) Increase health care spending to the pre-1992 funding levels;
- (2) reduce the number of hours of work to provide more job opportunity, as well as more family time;
- (3) create additional non-profit and co-op units and create a rent control system that will protect tenants;
- (4) create additional child care spaces throughout the province;
- (5) put additional monies into the environment for a Windsor-Essex county research facility, as well as greater prevention and enforcement; and
- (6) propose and push for an auto task force for the creation of a new auto policy, not only for Ontario but for Canada.

We have to look at positioning Ontario for the future. In our opinion, the recommendations we have provided in our presentation certainly address Ontario's continuing to have the competitive edge that the current government, at every opportunity, states it now has.

The Chair: Thank you very much. We have one minister per caucus and I'll start with the government side.

Mr O'Toole: Thank you very much for your presentation. I tend to agree that the auto industry is an important part of our economy. I've worked in it for over 30 years and I commend the relationship with the CAW in understanding the whole economic model. I appreciate your input and probably agree with part of it.

I just want to ask you a question. There was an article in the Financial Post this morning and I'd encourage you to read it. It says, "Kyoto's Real Cost." In that, I just start by saying, it's the right thing; it ties into the quality of life, the environment, health care—huge decisions, policy decisions.

The Chair: Question, please.

Mr O'Toole: The question would be, do you agree with the Kyoto accord and the possible ramifications for the auto industry?

Mr Parent: Obviously, we agree that the environment is very important—

Mr O'Toole: A 20% reduction in auto production is forecast.

Mr Parent:—depending on where you're going. We have already, on research and development within the auto industry, been pushing the auto industry on the whole question of alternative fuel, alternative engines. In fact, in the city of Windsor today, in the Ford complex, which has a couple of engine facilities, five plants, a couple of them have no product line beyond 2006, I believe. We have been after the Ford Motor Co—and this is where the provincial government can step in and provide the research and development monies to create an alternative fuel so that we can meet the deadlines set

out in the accord, so that we can go forward and make sure that the environment is definitely in the interests of all of us in Ontario and all of us in this world.

Mr O'Toole: Stay tuned; a big issue.

Mr Kwinter: Thank you very much for your presentation. I just want to tell you about what happened at estimates this year, where the Minister of Economic Development and Trade appeared and spent a half hour giving a state-of-the-union address about his ministry and in the 30-minute presentation did not once mention the automotive sector. I took him to task for doing that and afterwards his staff called me and he called to say that I was absolutely right, it was an oversight. What I don't understand is how something as important as the automotive sector would be an oversight in a presentation made by the Minister of Economic Development and Trade to the estimates committee as to where that ministry was going.

I just wanted to let you know that I commend you for at least bringing that to the forefront, that the government has got to be a player in what is happening. It's really critical because there's overcapacity in the industry. We see the GM plant in Ste-Thérèse, Quebec is being closed, they're phasing out the truck plant in Oakville, and unless we do get in there and try to influence some of those decisions, then we're going to be in big trouble and places like Windsor are going to suffer as a result of it.

Mr Christopherson: Thank you, Gary and Nick, for your presentation. Mr Fuerth raised on page 4 of his report—and you did, Gary, in your opening comments and on page 14—the whole issue of security versus efficiency at the borders. I just want to step that out once and ask for your thoughts on the government's position. I think most of the candidates for Premier I've heard talk about it are in favour of a larger North American security perimeter. If we went down that road, then a lot of the cross-border security issues would be resolved. A lot of them would become moot because you would have the North American perimeter. Given the fact that I know your politics, Gary, I know how you feel about a lot of these things, but also the fact that you need an efficient border crossing, which you've spoken to, what are your thoughts on that? Do you see that as the only real way to deal with security or is there a way we can do it without going to the North American perimeter?

Mr Parent: We're absolutely opposed to the North American perimeter. We have stated that at a trans-boundary meeting here publicly, at which Sandra Pupatello was in attendance. What we're saying is that as far as to smooth-line the whole question of the border crossing is to reverse the immigration-type endeavours that were present. I'm not even sure now, I don't know if they've changed, because they have changed back and forth a couple of times on the whole question of pre-immigration inspection being on this side of the border versus in other locations. We've talked about that in this community. We think that would help tremendously in stations along Huron line or off the 401 or wherever, that we can have that pre-immigration inspection done so that

it can add to the security you're talking about, Mr Christopherson; that we can continue to make sure that the products and the goods and services do flow across that border to obviously improve the economy of Ontario and Canada as a whole.

We have to have that, but we can't do it if we don't have the federal and provincial governments working together, along with the municipality and the American side. My understanding, coming out of that meeting, and I stand to be corrected on it, is that there had been some federal—I believe it was on the US side—proposal being put forward to the US government that was already in place, and it was our side, meaning the Canadian government, that was dragging its heels on the whole question of the implementation of such a proposal that could dislodge some of the whole question of the trans-boundary transportation system.

The Chair: With that, I have to bring it to an end as we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

Mr Parent: Thank you very much. We look forward to the budget with all of our proposals.

1520

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

The Chair: Our next presentation this afternoon will be from the Windsor-Essex Catholic District School Board. I would ask the presenters to please come forward and state your name for the record. On behalf of the committee, welcome.

Mr Fred Alexander: My name is Fred Alexander. I'm chair of the Windsor-Essex Catholic District School Board. On my right is Mr Michael Moher, who is the director of education. To my left is Mr Peter Marchini, superintendent of business and the board treasurer.

Mr Chairman, ladies and gentlemen, I welcome the opportunity of addressing the committee briefly on matters that are of great concern to us. We want to thank you in advance for your interest in carefully listening to the concerns of the local Catholic school board.

The amalgamation of school boards, along with the new funding formula for education, has required much adjustment on the part of school boards across the province, and the Windsor-Essex Catholic District School Board is no exception. Throughout the four-year history of our new board we have been challenged to provide quality Catholic education in Windsor and Essex county while staying within a balanced budget. In order to accomplish this, we believe that our board has shown a willingness to make hard decisions.

Since January 1998, we have instituted a number of cost-cutting initiatives, including downsizing of our senior administrative staff from 12 at the time of amalgamation to the present complement of five and reducing the consultant staff, which is the curriculum support sector, from a high of 27 in the two former boards to six in the year 2001-02. We have closed seven

elementary schools, resulting in operational and administrative cost reductions. This board has endured a five-week strike of custodial staff in an attempt to bring costs in this envelope in line with the grant. We have eliminated teacher librarians in our city schools. We have worked co-operatively with our coterminous boards to achieve savings on things such as transportation, courier services, shared teacher resources etc. At this time we are also in the process of combining four administrative locations into one board office, sharing space with one of our secondary schools.

I say this to you because I want to point out that these are just some of the efficiencies that we have been involved in terms of trying to live within the parameters established by the Ministry of Education. Despite all of these things, we are still struggling to eliminate a cumulative board deficit of \$3.2 million. Frankly, we feel we have run out of things to cut. The story is not peculiar to this particular board. I'm sure you've heard this across the province as you make your rounds. We are reaching a point where irreparable harm will be done if we make further cuts.

There are a few changes which we hope will be considered in your budget deliberations and which would make a significant difference in our board's ability to provide a level of education which we feel our students deserve.

The two aspects of the 2002-03 education funding formula which, if addressed, would most contribute to our board's fiscal solvency are outlined in a document which we have provided to you entitled Financial Concerns. I will address both of them briefly but trust that you will examine more carefully the details we are providing.

The first and very serious concern we have is that the ministry will again provide only "stable" funding. As outlined, we must state strongly our need to have the funding for ISA 2 and ISA 3 claims, the special education envelope, reflect the realities of the eligible files established by our board and others in 2001-02.

Secondly, we respectfully request that the ministry funding for employee benefit funding be adjusted from the present 12% of a base teacher's salary to 15.5%, which more accurately reflects the real cost of these benefits for our board.

These two items, which have implications for many boards, would make the difference for our board between a precarious financial position, one which will necessitate further, more educationally drastic cuts, and solvency and the ability to continue to provide a quality Catholic education to the families of Windsor and Essex county.

Mr Chairman, these are very carefully scripted comments that I have presented here to the committee. I would like to say a few things to the committee. You'll forgive me if these comments appear somewhat disjointed, because they are really extemporaneous.

There is a rumour going around that there is a perception that boards of education really don't have a problem, that somehow we are doing this at the appropriate

time as the finance ministry is beginning to crunch the numbers, and that somehow there is a perception that what we are doing does not really reflect a problem. I want to assure the committee that nothing could be further from the truth. We are continuously going through the process of robbing Peter to pay Paul.

Just in the special education envelope, through no fault of this board, we are experiencing or certainly approaching a \$1-million shortfall for this coming year. I know the superintendent of business will make remarks to that effect later on.

We have made the rounds. We have gone to the round table and addressed Jim Flaherty, who is also a candidate for the leadership of the party. We've addressed our concerns, and everyone listens to us politely. I want to tell you with all the sincerity I can muster that we have a serious problem. When I say "we," I mean the boards of education in the province and, since I am speaking on behalf of the Windsor-Essex Catholic District School Board, this board in particular. It is a problem, not to be melodramatic, that is almost catastrophic.

Particularly in special education, we have raised the level of expectation in the minds of people for whom we are providing the service, and we cannot deliver because of the shortfall in funding. We are going to other envelopes to subsidize special education because we feel that's our mandate. We cannot continue to do this any longer.

We make these remarks to you in the hope that you will take this seriously. If you have any additional questions on the specifics, I'm sure that either the director or the superintendent of business will be more than happy to address your concerns.

The Chair: Does that complete your formal presentation? OK. For questions we have approximately two and a half minutes per caucus, and I'll start with the official opposition.

Mrs Pupatello: I'd like to address the \$3.2-million debt. Your coterminous board also has a debt, and, as you know, debts are not allowed in boards of education across Ontario. They're not allowed in hospitals or municipalities. School boards now are looking at the same ratio of debt as our hospitals; over half are in debt, at least.

How are you going to resolve this? What kind of financing costs are you facing? How are you going to the bank? How much of that is attributed to capital that you are no longer getting from the government? They've essentially moved what would typically be government debt to assist financing of new schools or school buildings and now you are assuming the debt, so they've really moved the nut under the shell. The debt is now at a much more local level. But essentially, you cannot have this debt, so how are you going to deal with this?

1530

Mr Peter Marchini: If I can respond to that, the board did experience a cumulative deficit of \$3.2 million as of their August 31, 2001, financial year-end. In January 2001, the trustees met with administration and

scoured a 20-page document. At the end of a long meeting, we approved for implementation a \$3.8-million budget reduction plan for implementation September 2001. By and large, most of that has been implemented, other than one item that was held up through an arbitration and that now should be implemented during the month of March. That was the change in workloads for our custodial group. We had a five-week strike and subsequent arbitration.

To address the issue of the debt, the board has done pretty much everything they possibly can. What's left in the hands of the trustees are things of the nature of a couple of music teachers. When you leave the classroom teacher, that's pretty well all that's left. We have a handful of consultants, a couple of music teachers, and not much beyond that. So the system was basically stripped to the bare minimum.

The implementation of the \$3.8 million occurred in September. The board is now looking at a balanced budget for this year, the year we're currently in, but barely a balanced budget with, if anything, a minimal repayment of the \$3.2-million deficit. We're in the midst now of putting together a deficit management plan for Mr Wayne Burtnyk from the Ministry of Education to show how as a board we'll be able to address that deficit, because they are not legal.

Mrs Pupatello: Will that include finance charges where you'll be spending money to finance that deficit?

Mr Marchini: Our deficit is part of our line of credit with our bank. We have a \$40-million line of credit. Part of that line of credit involves this \$3.2 million, so we'll be paying 4% to 5% on that over the next year or two or three, and that is basically not funded as well.

It's a struggle, especially when we hear news of a reduction in funding or no increase in funding for this fiscal year coming. That really makes it difficult to do long-term planning.

Mr Christopherson: Thank you for your presentation. We're hearing it. It's our second community and probably our fourth or fifth submission on what's happening to the education system.

I like to keep things fairly local. I don't know if you were here earlier for the Windsor and District Chamber of Commerce presentation, but they made a whole raft of recommendations that involve tax cuts. Their biggest overarching concern—to be fair, he did say the new tax cuts didn't necessarily have to be first, but he did say that implementing all previously announced tax cuts should take place, and that's around \$2 billion. And he said that there cannot be a deficit, no matter what. The other priority was at least \$3 billion going to pay off the debt.

If the government listens—and I can tell you they listen very carefully when the chambers roll in—there will not be any new money. You will be lucky to hang on to what you have. Notwithstanding that the government says they don't cut from education, all you have to do is tinker with the funding formula and suddenly you've got a deficit outcome. We all know how the classroom

spending discussion went and all the things they just carved out of that equation and then played games.

My question to you is this: this is your community. This was your business community speaking. Business is obviously crucial to all our communities; you can't avoid that. But if you followed what the chamber wants, and there's a good chance this government will, you're not going to get another dime. I'd like to know what you think about that. Do you think we should go into a short-term deficit if that's necessary? In other words, is the crisis big enough in the Catholic school system that even if we have to go into a short-term deficit, we ought to do that, or should balancing the budget and continuing with tax cuts be the priority even if it means you don't get any new money?

Mr Marchini: A response on the deficit: I think what will happen is that on one side of the ledger or the other, the government will have a deficit. If there is 0% funding coming to the school boards, they're just shuffling the deficit on to hospitals and school boards, so there is a deficit there. Whether it's on the government's provincial ledger or whether it's on the school boards' ledger, it's going to occur. It just can't be stopped without some sort of realistic grant increases.

Mr Alexander: Mr Christopherson, we're talking about children and we're talking about education. I was not here for the presentation by the Windsor Chamber of Commerce. I'm sure theirs was a much more polished presentation than mine. We're talking about children and we're talking particularly about a group of disadvantaged children, to a large extent, in the special education sector. The government has mandated boards to provide a certain level in terms of special education to these people. That is what I meant by saying that there is a level of expectation that this board is unable to fulfill at this time. It is the basic mandate. It is a legislative mandate imposed on this board by the government. All we are asking is that you allow us—give us the tools—to do these things. That's just one small part of the total budget. There's the question of retirement gratuities and benefits, but focus on special education for a minute. I want to tell you, from my perspective as the chair of this board, it is a ticking time bomb. It is something that is going to happen; it's going to explode in the faces of the politicians in this province and the consequences are going to be interesting.

You're in the middle of a leadership race. We've been to all the leadership candidates in Windsor. We've made our presentations. They all listened very intently, but I want to come back again: we are about the business of children, and particularly children and special education. I ask this committee to take a look at it and not shuffle the papers around and tell us that we're not going to get any funding or be lucky to hang on to what we have. That bothers me a great deal.

Mr Christopherson: It should. It should bother you, sir.

The Chair: With that, I have to bring it to the end and go to the government side.

Mr O'Toole: Thank you very much for your presentation. I should say that I am no stranger. I was a separate school trustee for a couple of terms and I have a perspective on that as my wife is a teacher and my daughter is a new high school teacher. I would like to be remembered as being supportive to doing the right thing. Sometimes the culture is more difficult to change.

Mr Christopherson: It's your fault.

Mr O'Toole: David, you had your time. I'm not sure you made your point, but I did listen.

Mr Christopherson: I'll return the favour.

Mr O'Toole: What is your budget now in terms of the amalgamated budget of all the boards?

Mr Michael Moher: If I may, the budget is \$171 million. I defy anyone to manage their own personal affairs in terms of a variance of 1% or 1.5%. We get changes from the government, unannounced, where we're expected to fund—we have no control over teachers who decide to retire. We budgeted \$1.8 million for retirement gratuities. Teachers are leaving the profession in droves: a \$3.2 million expenditure, unexpected. We have no flexibility within the funding formula to recoup that. That happened last year and we've had to try to look at ways to recoup that this year.

The problem we are having is that it's like running a business and the best you can hope as an entrepreneur is to break even. We can't even do that. That's the difficulty. There's no flexibility within the funding formula to address local conditions.

Mr O'Toole: I just want make a couple of points before the time ends. One of them is that, on special education, I chaired that CIAC committee. When they introduced the ISA and the SEPA funding, the actual number of students being lined up for it tripled. The reason they did is the funding was there. It was the new bundle of funding. The IPRCs, prior to that, were never done until grade 3 or 4. They delayed it as long as possible and kept moving the kids through the system until they were 17. Now the system, I believe, in ISA, that funding specifically, has been stopped twice by the ministry to find a different delivery model and a different way of assessment and tools that aren't so prescriptive and expensive.

Have you got some new ideas of how to reduce the administrative costs of ISA levels 1, 2, 3 and 4 and the whole bureaucracy required, without those dollars going to help one student?

The Chair: You have 30 seconds left.

Mr Moher: My advice to you is—

Mr O'Toole: New information.

Mr Moher: My advice is, trust the boards, trust the teachers who know the students best, decentralize the service, put the money back in the hands of the school boards, who manage it effectively. You're putting more money into the system and you've got less service than you ever had before.

Mr O'Toole: That's right; it's all administrative money.

The Chair: With that, I have to bring it to an end, but on behalf of the committee, thank you very much for your presentation this afternoon.

1540

CHAD BARRETTE

The Chair: Our next presentation is from Chad Barrette. I would ask Mr Barrette to please come forward, and could you state your name for the record, please. On behalf of the committee, welcome. You have 15 minutes for your presentation this afternoon.

Mr Chad Barrette: My name is Chad Barrette. Good afternoon. I'm a special education teacher with the Windsor-Essex Catholic District School Board. Thank you for the opportunity to allow me to address this group. I'm here to represent the interests of children from publicly funded schools in Ontario.

Since 1995, there have been numerous provincial tax cuts. The goal of the Harris government apparently was to be competitive with all of the jurisdictions around us. They have accomplished that. Our business tax rates, corporate tax rates, are the lowest in the area, right around the Great Lakes states. So they've accomplished that. But there have been some prices that have had to be paid and the children of the Windsor-Essex Catholic District School Board, as well as other areas, are paying them. We may be paying for years into the future with an inadequately educated citizenry. If you don't take care of the needs of our most vulnerable students, they tend to make life more difficult for the rest of us and themselves, and it makes learning hard for the other students in the classroom.

Students with special needs in the Windsor-Essex Catholic school board are being funded at approximately 80%, based on the 1999 ISA grants audit. We had to shut down our special education department for a good two months to prepare for those audits. Our speech pathologists, social workers and psychologists all had to shut down and become fund generators. The effect of this is that the very kids we're trying to help and apply for were not getting any service. That's two months of no service. We're locked in at the 1999 rates for the ISA grants. We have to wait until September 2003 for our most recent ISA grants to take effect. We have new students since that time and that's \$2.5-million worth of special-ed funds that are not being accounted for. In the interim, our board must operate at a deficit to meet these children's needs.

Another problem we have is that our educational assistants are being funded at 1999 levels, so every time we hire an educational assistant to help out with a student with special needs, half-time is \$4,500 and full-time is \$7,000. So far, our board is operating at a \$1-million deficit to fund our EAs.

I suggest that the Ontario government—I don't know if this their mandate with their Red Tape Commission—shorten the allotted time and allow children to qualify for these special needs or ISA grants and allow the teachers

to stop being fund generators and allow them to teach in the classroom. Allow new submissions to count immediately and be reviewed every five years. Once a child is labelled with Down syndrome, that's a lifelong condition. We don't need to prove that every year. That's something that they have and it doesn't change. We know how much the Ontario government hates bureaucracy and paperwork, and we'd like to move along with that as well.

In addition to special-needs claims changes, we need more local support services for children's mental health, developmental disability support and respite assistance. Again, children who need this help act out in many ways. They disrupt everyone's learning environment and put themselves and their classmates further and further behind. The Ontario Safe Schools Act is a good start to this, but many of these children can't control their behaviour. They have disabilities, and suspending them won't fix the problem. It's more of a Band-Aid solution. Many of these children are getting suspended over and over again. They're on waiting lists for treatment but not getting any help. I know there's a limited amount in the budget, but I suggest the Ontario government find some efficiencies to effectively deliver these community services.

In addition to community services' waiting lists, there are severe shortages of psychological, speech and social workers' regular visits to schools. People for Education recently did a study across Ontario and they found that in less than 40% of cases there were regular visits by these speech pathologists, social workers and psychologists to the schools. In order to be funded to receive special education help, these children need to be identified, so they're kind of caught in a tough spot. Many times parents will have to get privately funded psychological services, which cost between \$500 and \$1,000.

Like standardized report cards, we need standardized availability of these professionals to help the neediest of our students. Please don't make it a race to the bottom like our corporate tax rates. We need good services. I'm not saying let's make them all lower, down to 20%. I would like to raise it.

I'll leave the other recommendations, or most of them, to the public's good friend, the Provincial Auditor. Some highlights of his report are: school boards are spending \$95 million more than they receive from government on special education services; there's an insufficient number of teacher assistants and experienced special-ed teachers—we need to recruit more; the Ministry of Education should establish procedures that enable it to monitor the cost and effectiveness of special education.

I have a few more recommendations of my own:

Eliminate the private school tax credit. You aren't spending enough money on public education and we don't want to divert any more money from it;

Allow more local control of schools. We have two school boards the size of France. Queen's Park cannot control 4,800 schools;

Also, I'd like you to quit killing communities by funding schools by square footage. Most schools that were closed had fewer than 350 students. Animals at the Stanley Park zoo are allowed twice the square footage as Ontario students; they get 100 square feet per student;

Finally, hire more special education teachers. I work with the Windsor-Essex Catholic District School Board, and the average special education teacher has around 50 students that they must see. That turns out to be about half an hour a day that the children are seen by a special education teacher, excluding the months of September and October, of course, because their teachers are fishing for grants. We need special education teachers to be able to spend more time with these children. If you don't meet the bottom third of the class' needs, you won't meet the top third's needs either.

Another thing that I'd like to see is more accountability in the funding. It was very difficult to research through boards' Web sites for how much money is being spent. It's almost like a puzzle, or hidden. I'd like to see a pie graph for each board and the teachers, where they account for—say, special ed is one department and transportation is another. Put it into cents and the full thing as a dollar, and each board has to do it so they can account for the spending.

Thank you for the opportunity to address this group.

The Chair: Thank you very. We have approximately a minute per caucus.

1550

Mr Christopherson: Thank you, Mr Barrette, for your presentation. I think it says an awful lot that you're here as an individual, that you're here as a teacher, a special-ed teacher at that, and a young teacher.

I'll tell you ahead of time, you're going to have a very difficult time getting any one of the four government members to agree that money has anything at all to do with the problem. They'll tell you it's everything under the sun: it's administrative, it's bureaucratic, it's this, it's that. It's going to be a whole multitude of things, but it's not going to be money. If you manage to get that out of them, you've done your day's work, believe me, because they just won't admit it. In fact, if you listened to the previous presentation, quite often it was their fault. It was always back to administration, back to bureaucracy. It's always somebody else's fault. It's never the fact that there just plain isn't enough money.

What I'd like to hear from you in the little bit of time we have is, being a young teacher in this area, if things continue the way they are, how do you see things? With maybe 20- or 30-plus years of teaching ahead of you, assuming we're lucky enough to keep you in the system, how do you see it if things continue along the trend line that you've seen in the last few years?

Mr Barrette: I think we'll be like the United States. We'll have the haves and the have-nots. We'll have corporations such as Edison funding private schools, all the services available in the private schools, and the public system—they make jokes about it in the United States all the time, "Oh, I went to public school," and

that's supposed to be some kind of handicap that you have. Because you were in a public school, you didn't have the opportunities that everyone else had. In England it's similar. They can discriminate against you just based on the region you live in and your accent. That may happen in the future here if things don't change.

Mr Hardeman: Thank you very much for your presentation, particularly as someone from the special education area, and I've had a number of discussions with people who are involved in that. Contrary to the New Democrats, I don't believe the only answer is just to put in more money.

I think every presentation today and in previous days has suggested there are other things that need to be done to make the system work. I think in special education the issue is opening up the envelope so school boards can make decisions of where best to put the money, as opposed to saying, "This is how much you get and this is where you have to put it."

I'm also very interested in the area of the amount of time it takes to do all the paperwork to identify and then to justify the grant per student. It seems to me, as you mentioned, that's a lot of red tape for very little purpose.

In previous years, prior to this funding formula, special education was funded as special education, apart from the regular funding, but it wasn't directed as to where it had to go. How much has the paperwork increased between the time before the funding formula and now?

Mr Barrette: I can't really speak to that because I've just been in special education during the time that we've had the ISA grants, but talking to my colleagues, they did not have to stop services for eight weeks. I'm definitely sure of that. It was far less, for sure.

Mrs Pupatello: It's interesting to hear a government member sit here and wear like a badge of honour the fact that he chaired the committee that created this mess of a bureaucracy to get students special-ed assistance in the classroom. It's no badge of honour. They've made an absolute mess. The bottom line is that before the change, kids had assistance in the classroom; after the change, they have less assistance in the classroom. It's that simple. In our community, we have kids at home because they don't have assistance in school all day and they need help with basics like going to the bathroom. The system that this individual chaired and wears like a badge of honour has actually created the problem.

Moving on from that, specifically speech pathology is another area of specialty that we're having a significant problem with in this area.

Mr Barrette: Definitely.

Mrs Pupatello: The mental health agencies for children were here earlier today and spoke about the lack of mental health services for kids. The impact of all those things in our community, the deficiencies, like lack of doctors, lack of specialists, lack of environmental controls etc, are all creating a real, terrific problem in the classroom. Tell me about your day and how you see that affecting your day.

Mr Barrette: You're saying the lack of community agencies?

Mrs Pupatello: Assistance overall; like you mentioned, your speech paths, OTs, psychologists.

Mr Barrette: What happens is that we have people on long waiting lists. We have children who have been on the waiting list to see a psychologist for three years now. So they are not identified. What happens is they end up going into high school reading at about a grade 2 or 3 level without being identified as learning-disabled. So I foresee them dropping out of high school.

Also, I only see the children in the classroom for half an hour a day. In the past, they used to have three to four special-ed rooms where the children would have help. They would get the help they needed, and then the children in the regular classroom were able to excel. That doesn't happen now. What happens is they warehouse the children with problems in the classroom and you get all kinds of suspensions. Teachers are spending 85% of their time with these children with all the problems, and the children who are "normal" are missing out.

Another thing they've done is they have dumped gifted education on to the special education teachers, as well as early literacy training. So what happens is that the kids with colds, if I can make an analogy, are getting lots of attention, whereas the kids with cancer are being ignored, the kids with special education needs, because they are diluting the resources. There used to be four special education teachers—not in every school; I'm not saying that—and lots of help.

These kids are on a waiting list. We don't know what is being done to help them, or we don't know how to help them without the expertise offered by these professionals. Kids who are sometimes suicidal or have emotional problems are in the classroom and the classroom teacher is left to deal with them. If you have a principal who does not like to suspend children who aren't behaving properly, your classroom is a joke. There's no discipline. You can't really do much. You're locked in there, a prisoner of this child who doesn't see the need to follow a routine, so no one is learning.

The Chair: With that, I have to bring it to an end. On behalf of the committee, thank you very much for your presentation this afternoon.

Mr O'Toole: Mr Chair, if I may just raise a question and perhaps he can get back, does he prefer the integrated model or the segregated model in special ed?

Mr Barrette: Personally, for myself, I don't speak on behalf of my board, but I would like to see the segregated model.

ONTARIO ENGLISH CATHOLIC
TEACHERS' ASSOCIATION,
WINDSOR-ESSEX SECONDARY UNIT

The Vice-Chair: Our next presenter is Brian Hogan, president of the Windsor-Essex secondary unit of the Ontario English Catholic Teachers' Association. Twenty minutes have been set aside for your presentation. What

you don't use in the presentation will be divided among the three caucuses for their questions. As you begin, please state the names of both of the delegates who are at the table.

Mr Reno Melatti: My name is Reno Melatti. I'm first vice-president of the Windsor-Essex secondary unit. To my left is Michael Haugh, who is our liaison officer from the provincial office.

I'd like to thank you for giving me the opportunity to speak on behalf of our teachers and the concerns of teachers not only in this area but also in the province of Ontario.

The Ontario English Catholic Teachers' Association represents approximately 650 teachers who have chosen a career with the Windsor-Essex Catholic District School Board since its amalgamation in 1998. The local OECTA, Windsor-Essex secondary unit, is a sub-unit of the provincial Ontario English Catholic Teachers' Association, which represents 34,000 men and women teaching in Catholic schools throughout Ontario.

"We're extremely concerned about the corrosive climate that persists among the Ministry of Education, the district school boards, and board staff, particularly teachers. This unhealthy atmosphere needs to be dispelled immediately, before our students' education is jeopardized further ... " This is from the EIC report, December 2000, page 5.

The funding of public education in Ontario is now, perhaps more than ever in history, a matter of intense public interest and controversy. The climate that the EIC noted as "corrosive" has not improved. If anything, the atmosphere in public education has deteriorated as a result of funding practices which have fallen short of meeting the needs of our students.

We believe that fundamental flaws exist in the current level and method of funding public education in Ontario. The 5% budget cuts initiated in November 2001 by the Minister of Finance represent approximately \$700 million on top of the \$1.3 billion in cuts to education funding over the past five years.

The initiation of funding allocation through targeted amounts in envelopes has resulted in severe hardships in our schools as boards are forced to choose between programs and student needs. Monies generated from arbitrary formulas for allocation to targeted envelopes have proven insufficient to the ongoing requirements of school systems. The equal amount of funding for all is inadequate to meet the needs of local vagaries.

1600

The inadequacies and deficiencies in educational funding are failing our students now. Denied funding has translated into increased costs to taxpayers for remedial measures in the form of social services. By denying our students now, we deny the full potential of Ontario in the future for all citizens.

The funding mechanism predicated on class size in the aggregate is a disservice to students. The advantages of smaller class sizes for instruction have been well documented, yet despite provincial dictate regarding class size

targets at kindergarten through to secondary schools, there are still significant numbers of classes of 30-plus students in schools.

Curriculum, in both elementary and secondary schools of Ontario, has undergone significant revision. However, the resources needed to ensure the successful implementation have not been forthcoming as the result of lack of adequate provisions in the educational funding mechanisms.

Special education programs vary from school to school. Funding for these programs must go through the identification placement review committee, yet when the process is completed, there is an 18-month lag period for the funding to actually be released. Over the past four years, decline in schools reporting access to board psychologists and speech pathologists, reduction of staff, time and programs, have all been enacted in order to save money at the expense of special-needs students.

The result of cutbacks dictated by the inadequacies of the educational funding formula has also reduced the number of specialist teachers and educational support workers, such as educational assistants, school secretaries and custodians. Specialist teachers have been victims of funding cutbacks since 1997-98. At a time when the curriculum emphasis is on career planning and the production by students of an annual education plan, guidance teachers have dropped 6%. At a time when the focus is on literacy, there has been a 15% loss of teacher librarians in schools.

Additional areas of concern are also evident in resource provision for texts, materials and equipment need for a successful implementation and delivery of the revised curriculum. Inadequacies in funding are becoming increasingly pronounced in these areas. Since 1999-2000 there has been a 28% increase in fundraising for textbooks, computers, classroom supplies and library books. I know, I have been one of them. This is hardly the equality of educational opportunity which is purposely ensured by the funding formula.

Portables form the learning environment for Ontario's students at 45% of schools in Ontario. Moreover, a vast majority of secondary schools were built over 30 years ago and require general upgrade, as well as renovations or additions. We need to provide a safe, permanent and healthy learning environment for all Ontario students and staff.

In 82% of Ontario's secondary schools, students are bused from five to 100 minutes one way. In 19% of secondary schools, students ride for over two hours per day. With respect to my school, Cardinal Carter in Leamington, 20% of the student population is within the range of one and a half hours per day. While fuel costs to school boards have increased significantly, grants to boards have not increased at the same rate, thus compelling boards to shortchange other areas of the educational system.

Like many sectors of Ontario's workforce, the teaching profession is in the midst of profound changes to its composition. Teachers have been and will continue to

retire in large numbers over the next few years, well beyond the present capacity of the teacher training institutions to replace losses. Quotas enforced upon the enrolment of teacher candidates at faculties is part of the problem. Insufficient funding limits the number of student spaces required to provide the much-needed supply of teachers. Compounding this problem is the marked increase in the utilization by school boards of unqualified or underqualified personnel as classroom teachers.

Funding allocated to school boards for the maintenance and improvement of collective agreements governing wages and benefits is dictated by the funding formula. We see this as an intrusion on free collective bargaining when arbitrators must adhere to the ability to pay in awarding settlements. The imposition of three-year collective agreements, despite the fact that boards are funded on an annual basis, further constitutes an erosion of local autonomy in collective bargaining. Make no mistake, many out-of-province jurisdictions have lured and will continue to lure Ontario-trained teachers elsewhere unless better working conditions, salaries and respect for their professionalism is provided and ensured in Ontario.

In closing, our association is committed to a healthy, well-funded public education system which serves the students of our province. It is false economy when the funding provisions relate to cutbacks which limit educational opportunities for our students. Educational improvements grounded in research which supports reform is a goal we all support and favour. We all understand that the resources from the public purse are precious and finite. Perhaps in light of the present climate, prudence, coupled with a vision which recognizes the inherent potential in our schools, may ensure a better future for all our citizens.

Thank you for the time and allowing me and my association the opportunity to present our concerns to your committee.

The Vice-Chair: Thank you for the presentation. We have a maximum of two minutes per caucus, starting with the government side.

Mr Spina: Quickly, Mr Melatti, you were in the Catholic system five, six, seven, eight years ago?

Mr Melatti: I've been in the system 30 years.

Mr Spina: Good for you. What was the funding condition like seven, eight years ago?

Mr Melatti: If my memory serves me correctly, that's pre-Bill 160.

Mr Spina: Yes.

Mr Melatti: I think the funding was somewhat inappropriate from the standpoint of the government, but at least it allowed a common decision-making process, whereby school boards who felt the need negotiated those contracts.

Mr Spina: But on a per capita basis, weren't Catholic kids funded about 25% less than public board kids?

Mr Melatti: If my memory serves me, that's correct, because of the commercial funding. They were only getting the residential, yes.

Mr Spina: OK. Now the Catholic school boards are on an equal funding basis with the public boards, aren't they?

Mr Melatti: Unfortunately, when you try to apply pressure to do different objects, you can't do it. What you try to do is, you stabilize the same object and now you can apply pressure to both Catholic and public schools in the same way.

Mr Spina: But the reality is the separate school boards have experienced basically a net increase of anywhere from 20% to 30% in their overall funding.

Mr Melatti: That's a shortfall. The crunch is coming.

Mr Spina: But it's still 20% to 30% more than it ever had before that, isn't it? What did it do with it?

Mr Melatti: It's trying to equalize what it's been trying to offset for the past years.

Mr Spina: I understand that, but what I'm suggesting to you is that if the separate school board had problems or OECA had problems in dealing with its contracts, and we know that—

Mr Melatti: And we dealt with them at the local level.

Mr Spina: Yes.

The Vice-Chair: We'll have to move on to the official opposition.

Mrs Papatello: I guess my colleague from across the way is trying to suggest that you ought to be happy because the Catholics made out like bandits with the funding formula and the public school system got buried with the new funding formula.

Mr Melatti: I should be thankful I'm alive, after 30 years.

Mrs Papatello: Exactly. I think that's the point he's trying to make.

Mr Melatti: I got that.

Mrs Papatello: I would say it more clearly than he would.

The Vice-Chair: Question?

Mrs Papatello: What I'm trying to say is, if that were so, why would that board be facing a \$3.2-million deficit this year? And we heard from the board directly. We also heard from teachers who work in both systems that the school environment has changed dramatically, that in fact what they've gotten headlines for has been around new disciplinary measures, when the reality is that the effects in the classroom have much to do with social services that the government has neglected in most of southwest Ontario, including health services, children's mental health services and educational services, all of which are affecting the classroom, and the teachers are facing the brunt of that. You don't have a speech pathologist to send the student to in order to improve this child's speech; you don't have a psychologist to send the child to and this child is very disruptive in the classroom. These are realities we are seeing that I hear about in my constituency office in the Windsor area every day. The government is ignoring the reality of what is happening in the classroom for the sake of looking at everything from a macro level and saying, "You should be happy

because you didn't get cut as your coterminous board got cut."

1610

Mr Melatti: I agree. Please make no mistake: I know what the educational system has. The unfortunate thing is that my daughter has undergone cancer for the past 12 years in order for her to get an EA, and now she has to share with another student. She is physically and mentally disabled, but she is not a problem-maker. She's not problematic in terms of behaviour, but she has a full EA. Unfortunately, the reason she has it is because she is brain-damaged. But I know, because I see it in my school, that her EA is being shared with somebody else who needs it. I'm aware of that.

It's one thing for the commander, the generals to make the charge but it's another to tell them how to use the bayonets, how to dodge the bullets and how to get that hill. If the generals want it, tell them to get into the trenches and do it.

Mr Christopherson: Thank you for your presentation. It's interesting that the question you heard from the government member you'll probably find in that little blue book they have. Every one of them has a nice little three-ring binder that's given to them by that staffer over there who makes sure they have as many questions as they can, and rather than—

Interjections.

Mr Christopherson: Hang on, Joe.

Mr Hardeman: We think for ourselves.

Mr Christopherson: Well, we've touched a nerve, haven't we? Are you worried somebody might look at your little blue books, is that the problem? Through you, Chair, are they worried? I have a question.

The Vice-Chair: Address your questions to the delegation, please.

Mr Christopherson: All right. Don't you think it's interesting that they carry these little blue books and now they're all upset just because I mentioned that they have them? In there, what they have is an analysis of everybody that comes forward—there, he's holding it up, see?—and they have best questions you can ask. I make the point again: everybody that has come in here so far and raised an issue about funding in schools, not one of them over there finds it in their little blue book to admit that it has got to do with funding, that the crisis that exists is funding. And why? Because they know that they're going to be short \$3 billion to \$5 billion in the upcoming budget, they want to maintain the tax cuts that are going to cost about \$2 billion and they want to have a balanced budget. The way they're going to do it is to, at the most, leave you where you are.

I caution you that there's a real potential they're going to find some way of cutting back on money, and that's why you got a question about the funding for the Catholic system as opposed to dealing with the real issue. I asked the teacher who was good enough to come out here earlier today, and I want to ask you, if the trend lines continue, where are you going to be in the next few years, if this government doesn't stop saying it's every-

body else's fault and admit there's not enough money in special ed? If they don't do that, where are you going to be in two or three years when we come back here?

Mr Melatti: They'll probably have a charge card as they come into the office because, basically, with the vouchers they're bringing in and the charter schools they're bringing in and the large business, that's what will happen. You read some of the reports that have happened in the States. I wondered why I wasn't asked or wasn't given the statement, "Are you one of those big union bosses?" I've been a classroom teacher for 30 years and I'm proud of it and I still teach in the classroom.

The Vice-Chair: Thank you very much for your presentation. We appreciate you coming forward and presenting to our committee.

WINDSOR-ESSEX FAMILY NETWORK AND RESOURCE CENTRE

The Vice-Chair: Our next presenter is Michelle Friesen, Windsor-Essex Family Network and Resource Centre. Thank you very much for coming forward. Twenty minutes have been set aside for you. After your presentation, whatever time is left will be divided equally among the three caucuses. As you begin, state your name, along with the names of the other members of your delegation, for Hansard.

Ms Michelle Friesen: I would just like to introduce the other folks who are with me. Actually, all three of us are parents of children and/or adults of people with disabilities and we tried to represent the various generations. Beside me is Michelle Bracewell, who is a parent of a toddler; I have four children, one of whom is disabled and is 21 years old and still in school; and next to me is Frances Colvin, who is my mentor and a senior parent whose son is now 40 years old. We really feel that there are issues our families are facing across the generations that relate directly to the kinds of supports and funding that families can't get access to right now.

I'm going to open it up with Frances. You may think we would end with Frances, except that it was her generation that decided to stop sending people to institutions initially, and we thought that was the best place to start.

Mrs Frances Colvin: Good afternoon. My son was born the year that SRC was opened and the thrust then was for placing them to fill up this institution. But I'm of the generation of parents that had started to bring our sons and daughters home and raise them ourselves. They were our children, and why should we treat them any differently than any of our other children?

We felt that it would be better for them to be in home environments with the love of family members. We never asked for any government help. The parents of my generation took it as our responsibility to raise these children as we raised our others. It wasn't until we started coming into our mid-60s, when we started to have problems and were no longer able to cope with looking

after them completely and we needed help, that we started asking for some in-home support in case of illnesses, which I had happen to myself. My son is in the emergency waiting room while I'm in the emergency room and they want me in the hospital, and I said, "I can't go because my son is out in the waiting room waiting on me." They finally brought him into the room while they made a decision. So from Friday afternoon until Monday morning, I had to go back to the hospital every six to eight hours to go on antibiotic intravenously.

It was then that I went to some of our senior families and said, "I don't want to see this happen to any other family. I hope we can get some support in the home." So now some of these seniors still continue to have to support their son or daughter at home. Some of them are single-parent families. They're getting to the point where things are happening. We've had one instance where a mother passed away. Her son was living with her and sat at her bedside for over a week, waiting and wondering what had happened to her, before they were discovered. We have other parents who are having to go into nursing homes and the child has to be placed somewhere.

So we want to see that there is support for these people. These parents do want to continue to look after their son or daughter, as long as they are physically and emotionally able to. But it's getting more difficult, and they want assurances that as long as they keep them home, in case of a catastrophic illness or if they have to go into a home or should suddenly pass away, there will be support provided for their sons or daughters should anything happen to them.

Though they are providing the in-home support, they need help now to have some support to get them out into the community because they are no longer able. Another thing our young people need is planning to get them out into the community. The needs of these people are not going to get less because the sons or daughters of my parent-age group, and some older than myself, are also coming into their 40s and up into their 70s. The chances of them needing more support than what they're getting now is going to become greater, not less. But the more they can be got out into the community with support to keep them stimulated, the more that is going to help them to remain active. It's the same as they're advocating for all of us seniors: that we stay mentally and physically alert to help avoid the aging process.

In summary, families want to know that there will be financial support and the placement of supports that they require through planning, that will be set up in case something happens to them; and implementation of supports for the sons and daughters for the transition period, whether it be into a group home run by an agency, which families have been used to, or into supported independent living. But there would be options there for them.

I thank you for your time.

Ms Friesen: Michelle Bracewell is going to speak next.

1620

Ms Michelle Bracewell: I want to thank you for having this meeting. I was called about an hour ago to do this presentation, so bear with me.

Ms Friesen: Our other young mom had a crisis, which is very typical to life.

Ms Bracewell: Yes. I want to introduce my son Chad to you. He has overall global developmental delay. I don't know why. This is Chad. We were put on the family respite services waitlist when he was about a year and a half. This is Chad now, and he'll be four next week. We're still on the waiting list.

It can be very, very frustrating for parents and caregivers of children who are in need of services. Currently, there are 212 children on the waiting list for family respite services. A year ago, there were under 100. So it has more than doubled for the same time of year. Just to give you an idea of what the waiting is like, last May Chad was 50th on the list, and we thought we were getting a little closer. I called today, and he's still 50th on the list. So everything has stopped. We have been receiving special services at home, which is more of a support service.

I don't know if you know much about special services at home; it's a little different. We were on a waiting list for that for six months, and got off it and had services for 12 months. Due to an increased number of families in need, we are now back on the waiting list. I called about this, and the gentleman said that it's because there are 340 new families in need of services and there is no new funding.

As you know, early intervention is the key. I feel like we're in a race against time to get him OK before he hits the system. I am a teacher. I have chosen to stay home to help him as much as I can. To be brief, there's more of a need here, and I think if we have a higher number of families, we need to increase the funding.

Ms Friesen: Michelle's story is very typical of many families in Windsor and Essex county.

I thought I would do a general pulling together of things. One of the things that is common for all families is they are saying, "How can we include our children in their community and in their schools without the proper supports?" A number of years ago, many of us thought we had fought the battle around people being included and valued, and won. Now, people are saying, "Are we moving backwards?" Those people aren't just families. Those people are the agencies that are supporting families, and many educators. More importantly, I guess it may even be, "How can we include our children in our homes without the proper support?"

Although years ago, families decided to do it on their own when the only option was institutions, we're finding that the severity of disabilities has changed as well. So what we're asking families to do goes well beyond the word "exhaustion." I am here to tell you that many families and individuals with disabilities are living an existence, and not necessarily a life. "Beyond exhaustion," again, is a good adjective to use. That exhaustion

can be physical, mental and emotional. In the 21 years that our family has been thrust into the disability world, never have so many parents and others asked me, "Are we going backwards? We've never seen things so bad. Whatever happened to being included? Whatever happened to being valued? What is happening to the most vulnerable people in this province?" People say this with regard to the lack of funding and support so badly needed for their families to experience some small sense of normalcy, and for opportunities to be included. They say this as mothers who have to opt out of the workforce to coordinate services and care for their children—and those stats go well beyond Michelle. They say this as parents who take vacation time to attend medical appointments, therapy sessions, hospital stays and meetings of all kinds, and to be home when their child is suspended from school, unofficially, for three days.

They ask if things are going backwards with regard to the education of their school-age children, as years of inclusive supports deteriorate. As parents thought the individual education plans were supposed to be meaningful and lead to a good education and inclusion, they claim they have become tools for the schools to meet their own systems' needs.

The ISA funding: they are required to jump through numerous hoops to get assessments and all kinds of things done and then in turn find out that, yes, the ISA funding doesn't necessarily go to the child. Everybody understands that we want our resources to be spread thin, but there's something about the integral use of ISA funding, or applying for it and then not even having enough ISA funding in one school where you have claimed people, and then the supports are not there.

Then what we get are teachers who say, "I would prefer a segregated class," because their full experience has been all the problems around not having enough support for children. There was a day when there were school boards and there were best practices around this province where inclusion was considered vital and important for people.

At this point in time, it seems that even the public doesn't understand what families are going through with kids with disabilities, with mental health needs, with all kinds of vulnerabilities. What we find is, you have people concerned about education in general and health in general, but we can't seem to get people to understand that we have families whose backs are breaking, whose hearts are crushed, who are worried about how much longer they can continue.

Fifteen to 20 years ago, we were fighting for the supports that would make life more inclusive for our children and prevent their becoming part of systems that congregated them away. We understood that some of these congregated programs were for a time and were necessary for those families who first said, "We don't want the big institution."

We can't forget those seniors of today. They fought for their children to be recognized and that's why we could continue to fight and ask for more, and some of

those programs still exist. But at the time we asked for in-home support 20 years ago, and special services at home came in, we didn't think it would be a battle 20 years later to get a few families a little bit of help.

We fought for early intervention, the infant programs started by families then became something the province was proud of, only to find out infants are waiting for help. We built models of respite that meant someone came into your home and you didn't have to send them away, and now 212 children are waiting on a list for respite. Nobody thought that there would be this day.

In needing to take the public education and what parents call "a fight for our children" further, of course, we looked at including them in the schools. We learned that we needed to stop talking about labels, we needed to stop talking about their deficits and we needed to say, "These are children. What do we need to do to support them?" and whatever it took, they got.

That's not happening, that's not ever going to happen with the ISA funding model because people have to prove how deficient their kids are. It's never going to happen. It's very difficult. It's difficult for the educators who have to speak that way about children, it's difficult for the families who then, after years of learning to look at their kid, first for their beautiful smile and their blue eyes, all of a sudden have to start saying, "My kid has this and this and this."

Today, parents struggle to have our children educated without those labels. We know that money has tightened and we feel that a lot of that has to do with the valuing, or the devaluing, let me say, of people.

The bottom line here is that supporting families is important, and we can all coexist respectfully across the generations and learn from each other. But what is really needed is individualized, in-home respite dollars, infant and pre-school home visitation and outreach programs

and planning support for teenagers and adults, which Frances referred to. The seniors in this community have said, "We've got plans. We know what we want for our sons and daughters." They've got alternative housing, they've got siblings involved, they've got wonderful plans that will cost this government less money than popping them in group homes automatically.

All that was offered last year across this province were group home spots. But I hear Frances and her crowd saying that all we want are planners who will help us and dollars to put our plan in place. We need hours of support through special services, at-home funding and individualized funding for people who need more than that. We need funds for those living arrangements of choice that the senior parents have talked about and we need more funding for special education. But we need things that are meaningful and appropriate and we need some way to enforce how to ensure that people are getting educated.

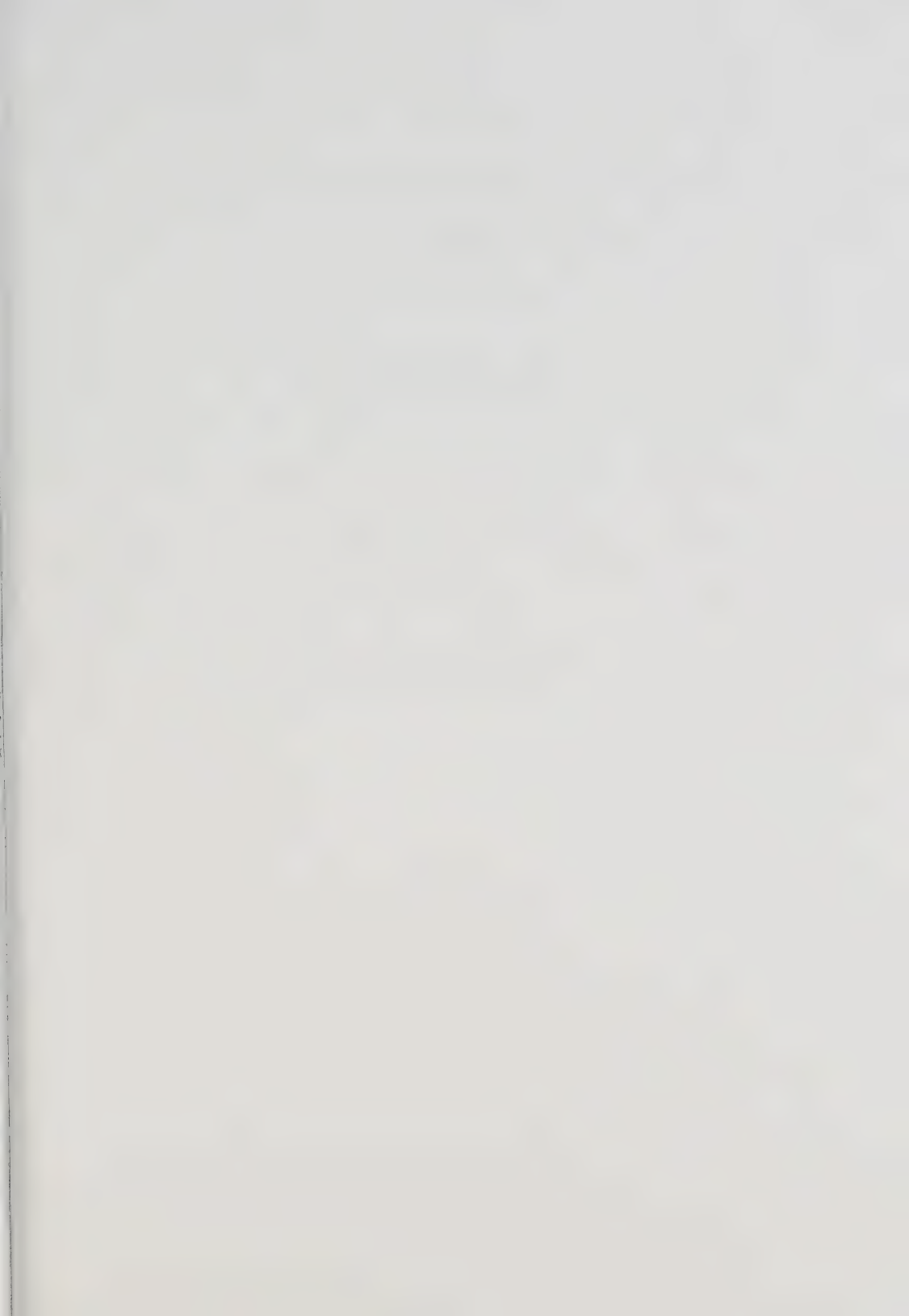
Sandra said it; it's very true: there are many families in this community with their children home. They got tired of fighting without the Ministry of Education's backing them up, being jerked around by school boards, without enough funding and supports, with everybody frustrated at the seams. They're home. The only recourse is a lawyer and some of these families can't afford a lawyer.

So where we are is, everybody's spread thin and they start fighting with each other instead of looking at families as whole, children as whole and how we just support them to be who they are: people and children.

The Chair: Thank you very much. We've used all the time for the presentation. On behalf of the committee, thank you very much for your presentation this afternoon.

This committee will stand adjourned until 10 o'clock tomorrow morning in Toronto at Queen's Park.

The committee adjourned at 1630.



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Wednesday 27 February 2002

Mercredi 27 février 2002

**Standing committee on
finance and economic affairs**

**Comité permanent des finances
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Pre-budget consultations

Consultations prébudgétaires



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 27 February 2002

Mercredi 27 février 2002

*The committee met at 1000 in room 151.*PRE-BUDGET CONSULTATIONS
MINISTRY OF FINANCE

The Chair (Mr Marcel Beaubien): Good morning, everyone. If I could get your attention, I'd like to bring the standing committee on finance and economic affairs to order. It is 10 o'clock. On behalf of the committee, I would like to welcome the Minister of Finance, who will be addressing the committee for an hour this morning. I would like to point out that after you are done with your presentation, whatever time is left will be divided equally between the three caucuses. With that, again welcome.

Mr Gerry Phillips (Scarborough-Agincourt): Mr Chair, we submitted quite a number of questions. I gather there are answers for those. Could we get them before the opening?

The Chair: We just received the answers, apparently. The clerk will be distributing the answers.

Mr Phillips: Just one copy arrived?

The Chair: Anything else? If not, Mr Flaherty.

Hon Jim Flaherty (Deputy Premier, Minister of Finance): Thank you, Chair, and colleagues. I am pleased to have this opportunity to address the standing committee on finance and economic affairs as you continue your pre-budget consultations.

Today I will be providing the committee with updates on Ontario's third-quarter finances, as well as information on how our economic and fiscal policies have positioned the province for continued growth and prosperity.

Last year, when I appeared in front of this committee, I had been the Minister of Finance for only a few days. Economic commentators were talking about the possibility of a slowdown in the global economy, especially in the United States. Since then, the world has changed in unimaginable ways. No one could have foreseen the terrible events of September 11 and the subsequent economic impact. Several months later, the economy is showing signs of renewed growth. While this is welcome news, we cannot take it for granted. We know that jobs and investment flow across borders with relative ease in today's global economy. We know that competitive jurisdictions are winning the jobs. We know we must be increasingly competitive if we want the people of Ontario to benefit. We cannot stand still while the world around us changes.

Over the past six years, our government has made the tough decisions to ensure a strong, healthy and prosperous Ontario. We have brought in lower taxes, reduced red tape and spent responsibly, all policies that have resulted in a much more stable and resilient Ontario economy. These policies have also helped Ontario weather this current economic slowdown and emerge in a position of strength. Let's look at some of the recent signs.

In January, the Ontario economy added 6,900 net new jobs. We have gained 22,200 jobs in the last four months, more than recovering all of the jobs lost in mid-2001. Housing starts rose 34% in January, to a level of 93,500 units. That's the highest level since March 1989. In Toronto, new home sales skyrocketed by 87.7% in December from a year earlier, and resales in January were up a staggering 57%. Retail sales across the province rose 2.6% in the fourth quarter, the best quarterly gain in a year and a half. Consumer confidence rebounded by 6.2% in January from the fourth-quarter level. That's up 21.6% from its post-attack low in October. Business confidence in the final quarter has also rebounded sharply.

These signs are good. Ontario is indeed on the right track, but we still have a lot of work to do.

Consider infrastructure. Our government understands that Ontario needs world-class, high-quality infrastructure to attract investment, create growth and ensure the jobs of tomorrow.

As the minister responsible for the Ontario SuperBuild Corp, I am pleased to report that public capital investment remains strong. Through public-private partnerships, we are pursuing opportunities to renew and rebuild Ontario's infrastructure. We are reducing the burden on taxpayers. We are building needed infrastructure sooner than the province could accomplish on its own. And we are providing jobs and stimulating local economies in every corner of the province. Since 1999, and together with our partners, we have committed \$13 billion to more than 3,300 infrastructure projects. If I may, let me outline some of our key accomplishments to date.

SuperBuild and its partners are investing \$1.8 billion in college and university spaces so there is a place in school for every willing and qualified student.

Pilot projects at the Royal Ottawa Hospital and the William Osler Hospital in Brampton are testing innovative solutions to delivering quality health facilities.

SuperBuild is investing over \$1.5 billion over five years in strategic municipal infrastructure. We have com-

mitted over \$3.25 billion over the next 10 years to renew and expand transit, and we have asked for matching contributions from municipalities and the federal government. We are also investing more than \$10 billion over 10 years in provincial highways.

Virtually all of our public facilities will be enhanced by SuperBuild investments, and every region of the province will benefit.

Our government has put Ontario's fiscal house in order. We have reduced net provincial debt, we have overachieved our deficit and debt-reduction targets six years in a row, and we plan to introduce a balanced budget in 2002-03.

This will not be an easy task. Tough decisions must be made to ensure that spending is kept in line with current economic realities. But we understand the importance of a balanced budget to Ontario's economy, to our competitiveness, our people and our prosperity, and we have long been committed to this goal. We eliminated the deficit in 1999-2000, one year ahead of schedule, we passed the Balanced Budget Act in 1999, and we clearly understand that we cannot go back to the days when deficits were the norm rather than the exception. In fact, last year during the budget lock-up a journalist said to me that in the past the news story was always, "How big is the deficit?" Today, journalists come into the lock-up expecting a balanced budget. The people of Ontario share this expectation. This year, we are on track to achieving a third consecutive balanced budget for the first time in nearly 100 years in Ontario.

Through it all, we have continued to invest in areas of importance to the people of Ontario, such as health care, education and infrastructure.

In the 2000 budget, our government made a commitment to reduce the net provincial debt by at least \$5 billion during the current term of office. With a contribution to debt reduction of \$1 billion in 1999-2000 and \$3.1 billion in 2000-01, we have met more than 80% of this commitment in the first two years. Last year's contribution was the largest single reduction in debt in the history of the province. We are proud of this record. However, the debt is still over \$110 billion. It costs the people of Ontario \$9.3 billion per year in interest charges alone. That money could be so much more effectively spent in health care, education, and in our communities. Our government will continue to make the tough decisions to tackle this debt.

Our hard work in this regard has been recognized. Ontario's credit ratings were upgraded by both Standard and Poor's and the Dominion Bond Rating Service in 2001 and placed on positive outlook by Moody's, resulting in a savings of \$90 million, which we were able to spend on health care.

Today I am releasing the third-quarter Ontario Finances. They show that the prospects for healthy, long-term economic growth remain bright. The 2001-02 fiscal outlook is on track with the budget plan. However, the slowdown of the economy has impacted the amount of revenues that we are forecasting. Total revenue is

projected at \$63.9 billion, down \$406 million from the 2001 budget plan. The decline is mainly due to decreases in corporation, retail sales and employer health tax revenue.

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Total expenditure is projected at \$63.4 billion, up \$144 million from the budget plan.

Ontario's 2001-02 budget plan included a \$1-billion reserve designed to protect against unexpected changes such as the current slower economic growth. In addition to the \$300 million allocated in the second quarter, a further \$250 million of the reserve has been allocated in this quarter to balance the budget this year, leaving a \$450-million balance in the reserve which, if not needed, will be used for debt reduction at year-end.

Ontario's economic growth is indeed lower than was predicted in last May's budget. After four years of remarkably strong real GDP growth, Ontario's growth slowed in 2001 to a rate of 1%, after 5.3% growth the previous year. The slowdown has been aggravated by the events of September 11.

Private sector forecasters now predict real GDP growth of 1.3% for 2002. The economy is predicted to rebound to 4.4% growth next year. The slowdown has been considered only moderate, and we have already seen evidence of growth.

By January 2002, Ontario had recovered all the jobs lost in 2001. In fact, we recovered these job losses in four months. During the last economic slowdown, it took nearly seven years to regain all job losses. Clearly this shows our economic policies are working. Over the last four months, Ontario employment rose by 22,200, following a decrease of 22,100 jobs in mid-2001. In all of 2001, Ontario created 90,600 jobs, an increase of 1.5%. This continues the positive trend in job growth that has occurred as a result of our government's policies. Since September 1995, Ontario's economy has generated 845,500 net new jobs.

Mr Chair, last year I said—and I'm quoting myself, which is different—"Even if the US goes into recession, we are in a far better position than we were just a decade ago to withstand the impact." This has since been proven. Our sound policies of lower taxes, balanced budget, debt repayment and more efficient government have helped us weather the storm. They have led to a strong and competitive Ontario.

A recent international survey done by KPMG found Toronto to be one of the lowest-cost major cities in the world in which to do business. The study noted that, "Even with a 20% increase in the value of the Canadian dollar, Canada's cost advantage would still average more than 5%."

We must stay on this path. Though it requires difficult decisions, determination and commitment, it is vital that we do not turn back the clock. The road that we are on is the only one that will result in continued growth and prosperity for Ontario.

Ontario is poised to take advantage of this economic upturn. To do so most effectively, we must follow

through on our pledges to lower personal and corporate income taxes and property taxes; encourage innovation and small businesses, and attract and retain highly skilled individuals; rebuild and expand provincial infrastructure; and maintain the fiscal balance and reduce provincial debt levels.

Tax cuts have always made common sense. We understand low taxes are necessary to a competitive, healthy and prosperous economy with a rising standard of living for all of the people of Ontario. That's why we cut personal income taxes by 30% in our first mandate, and it's why we have fulfilled our promise to cut these taxes an additional 20% in this mandate.

A family of four—two working parents and two children—with an income of \$60,000 will pay \$2,360 less in Ontario personal income tax because of our tax cuts.

We are also proud that we have significantly reduced corporate tax rates. We know that lower corporate taxes encourage businesses to set up shop in Ontario and create jobs. By 2005, Ontario will have the lowest combined general corporate income tax rate in North America, making Ontario a prime destination to do business.

One of the first actions the government took after September 11 was to accelerate the tax cuts that had been scheduled for January 1, 2002. This provided an economic stimulus of \$176 million, and it demonstrated our commitment to improving business confidence.

The government has moved to lower property taxes for homeowners and businesses. We are reducing education property taxes by over \$1 billion by 2004. In addition, the province has protected businesses from increases in municipal property taxes in parts of the province where businesses are already overtaxed.

Ontario's underlying potential for economic growth is very strong. We have a record of broadly based economic growth. Over the period 1996 to 2000, real GDP grew by an average of 4.7% per year. In the three years from 1998 to 2000, our economy grew faster than that of the United States, the rest of Canada, and any of the G7 industrialized nations, recording real growth of 5.8% per year. According to the average private sector forecast, Ontario's real GDP growth is expected to accelerate from 1.3% this year to 4.4% in 2003, putting Ontario once again at the forefront of growth among the G7 countries in 2003. Our government's policies have been, and will continue to be, imperative to this success.

I must also commend the business owners and entrepreneurs who take the many risks, work so hard day after day, build their businesses, and create the growth and the jobs that benefit all of Ontario. They are truly partners in Ontario's economic success.

As I mentioned in my opening remarks, sound economic policies are helping Ontario weather the current difficulties in the world economy. The prospects for healthy, long-run economic growth remain bright. But we must maintain the course we have charted. We cannot return to the days of high taxes and deficit financing. We must move forward and remain fully committed to the policies that have brought us this far.

In the fall, the Premier and cabinet asked me to undertake a more extensive pre-budget consultation than in previous years. I have traveled across the province to meet with people in their communities. I have heard many new, interesting, bright ideas. I have listened to the people of Jordan, Niagara Falls, London and Sault Ste Marie, and they have told me that we must stay the course. I have listened to the people of Sarnia, Durham region and Barrie, and they have told me that we are on the right track. I have listened to the people of Elliot Lake, Gore Bay, Thunder Bay and Fort Frances, and they have told me that we must continue to balance the budget. I have listened to the people of Stratford, Owen Sound, Pembroke and Peterborough, and they have told me that we must continue to pay down the debt. I have listened to the people of Ottawa, Hamilton and Windsor, and they have told me that we must continue to reduce taxes to remain competitive. I have listened to the people of Ontario, and they have told me that we must maintain our economic and fiscal policies for a strong and prosperous Ontario.

I look forward also to hearing from your committee on the measures that we can take to maintain a strong Ontario, to continue on our road to economic growth and prosperity for all of the citizens of this great province. Thank you, Mr Chair.

The Chair: Thank you very much. We have approximately 12 minutes per caucus, and I'll start with the official opposition.

Mr Phillips: Thank you, and I say again, I wish you would spend more time with us. Frankly, I find it unfortunate that you only have an hour a year to come to our committee and discuss these matters. But I can't do anything other than express my disappointment. I do think the Minister of Finance should be at this committee more than just an hour a year. Each of us gets 12 minutes to ask questions, and it just doesn't seem appropriate for the people of Ontario.

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Having said that, let me get into my first question. You haven't talked about the most important thing for this committee, and that's your outlook for the finances for the upcoming fiscal year. That's what we're all about. We're providing advice to you. You said outside this committee that you think there's a potential shortfall of between \$1 billion and \$5 billion. Last year in the budget you provided a forecast for the upcoming fiscal year indicating revenues would be \$65.5 billion and expenditures would be \$64.5 billion. Can you today give us your updated outlook for the revenue? You had an estimate a year ago. It must be updated now. You must have done it, when you said the shortfall is between \$1 billion and \$5 billion. What is the shortfall that the province is looking at for the upcoming fiscal year?

Hon Mr Flaherty: Looking forward to 2002-03, the average prediction of the economists with respect to GDP is 1.3%, as I mentioned, so we are anticipating economic growth in the next fiscal year. But there's no question that there are difficult but necessary decisions that will

have to be made given that economic growth will not be as substantial as it certainly was in the years preceding the last fiscal year. So we will have to make some important budget decisions to make sure that we craft a balanced budget for the province of Ontario going forward.

There are some variables still that we have to deal with. As you know, the federal Liberal government has botched the collection of our taxes. They tell us now they've botched it since 1972. They told us that just weeks ago, so we're going to have to have discussions with the federal government about what that means for our tax revenues going forward. We also have to have discussions about what it may mean going backwards. Those are issues that need to be addressed because of their failure to perform adequately in the collection of tax revenues for the provinces of Canada.

Mr Phillips: Listen, you're the Minister of Finance. You're here to give us the advice of where we stand on revenue. You're out telling the people of the province we have a \$1-billion to \$5-billion shortfall and you won't tell us what your revenue forecasts are for the province? This fiscal year starts in another month. Can't you give us that revenue estimate today?

Hon Mr Flaherty: The 2000 budget estimated that the impact of a one percentage point change in GDP—this should assist you—

Mr Phillips: No, just give me the answer.

Hon Mr Flaherty: —on the fiscal balance was \$610 million dollars. I've told you what the economists are predicting for the fiscal year to come, 2002-03, and also for the 2003 calendar year. We are in a difficult position this year; there's no question about that. Things look better for the following year.

Mr Phillips: But listen, you've got a staff there—

Hon Mr Flaherty: I'm sorry?

Mr Phillips: —that the taxpayers are paying a bundle of money for. Can you give us an estimate of what the revenue will be for the next fiscal year? It starts in roughly a month.

Hon Mr Flaherty: I've told you what the effect is of a diminution in GDP. I've told you that the federal government has let us down and that we don't know what the impact of that is going to be to our revenues in Ontario. I've told you that we have a positive prediction with respect to economic growth. We are watching carefully as we complete the fourth quarter of this fiscal year and are planning a balanced budget for the next year. There are pressures on the revenue side, and we're going to have to make some difficult but necessary decisions on the expenditures side as well.

Mr Phillips: Listen, you're looking for advice from the legislative committee and you won't tell us your revenue estimate. A year ago you had a revenue estimate for the upcoming fiscal year. That was 12 months ago. You had an estimate for revenue for the year 2002-03, and we're sitting here today and you will not give us a revenue estimate of what you expect. You can put an asterisk around it and say, "This assumes X from the

federal government," but you've got an entire huge staff there, you expect good advice from the legislative committee, and you won't tell us what your revenue estimates are?

Hon Mr Flaherty: What you're concerned with, I'm sure, is, is there a spending gap? Is there a gap between revenues and expenditures? Yes, unless we make some difficult—

Mr Phillips: How big is that gap?

Hon Mr Flaherty: That gap could easily range between \$3 billion and \$5 billion, if certain assumptions are made.

Mr Phillips: What is the gap? Is that the revenues or the expenditures?

Hon Mr Flaherty: You asked me a question, Mr Phillips. Do you want me to answer your question?

Mr Phillips: Yes.

Hon Mr Flaherty: Yes, all right. That gap would be a gap that would be there and we would not have a balanced budget unless we made some important decisions with respect to priorities in spending. We know, for example, and you know, that health care spending will go up. That is inevitable, given an aging population, given new technologies, given the cost of the drug plan and so on. So it does mean in other areas of our expenditures we are going to have to make some spending decisions in order to balance the budget. You know that and I know that.

Mr Phillips: You say it's a \$3-billion to \$5-billion gap. Is that because revenues are going to be \$3 billion to \$5 billion lower than you anticipated a year ago?

Hon Mr Flaherty: No. You know that's not so.

Mr Phillips: I don't know—

Hon Mr Flaherty: Sure you do. You know that there are spending increases required in health care. You know that. And there are spending increases that are necessarily—

Mr Phillips: They weren't in last year's—

Hon Mr Flaherty: Do you want an answer, Mr Phillips, or not?

Mr Phillips: Yes, I do.

Hon Mr Flaherty: I'd be happy to answer your question but you have to give me an opportunity to respond, I hope.

Mr Phillips: Go ahead.

Hon Mr Flaherty: There are pressures on the spending side, certainly, in health and in education. There are demands on the social services side. As you know, when you're dealing with those areas, you're dealing to a large extent with human resources, human resource costs, and there are some built-in increases there in collective agreements and elsewhere. So those spending pressures exist. With a lower rate of economic growth there will be some revenue diminution as well, so we have to deal with it. You asked me what that gap is and I've given you my best prediction at this time.

Mr Phillips: Last year you predicted revenue would be \$65.5 billion and expenditures would be \$64.5 billion and that would give you, with a \$1-billion reserve, a

balanced budget. You're now saying there's a \$3-billion to \$5-billion change in that. Is it because revenues are going to be down by X and expenditures are going to be up by X? Can you just give us the basis on which you reached the decision it was a \$3-billion to \$5-billion shortfall?

Hon Mr Flaherty: Both. The answer is both. Unless we take some important decisions, our expenditures would be up and the revenues will be down, given the lower rate of economic growth compared to that which was predicted, compounded by the federal government taxation collection error.

Mr Phillips: So you say revenues will be down substantially and expenditures up substantially and we have now a \$3-billion to \$5-billion gap. Why wouldn't you present that to the committee at the start, so that we understood what we were dealing with?

Hon Mr Flaherty: I already said that in my opening remarks, Mr Phillips. I already explained that we have some difficult decisions to make this year in order to accomplish a balanced budget and that we intend to accomplish a balanced budget. We have a downward pressure on revenues and we have an upward pressure on expenditures. I thought that was quite plain from my opening remarks.

Mr Phillips: I'm not sure the public ever saw a \$3-billion to \$5-billion number in your report.

You've indicated that job creation this year, at least your economic outlook, will be the lowest it's been in 10 years. Why would that be the case this year?

Hon Mr Flaherty: As you know, the world economy has slowed. As I mentioned in my remarks, the good news is that in Ontario we're seeing some very positive signs. There was job loss last year, in mid-2001. We've recovered all of those jobs back in the last four months, including the month of January; I believe the figure is some 22,200 new jobs. The last time we had that kind of job loss, as we had in the middle of last year, it took seven years for that job loss to be recovered. As I say, we've recovered it already in the past four months. So there are some very positive economic indicators.

Yesterday we saw figures for Toronto new home sales last month, for example. The sale of new homes in the greater Toronto area soared 86.8% in January, which is the strongest single-month showing since January 1987 and it's the fourth-best month on record. So there are some quite positive indicators in the economy as we come back.

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Mr Phillips: I gather from your comments that you will not be implementing the residential education property tax cut until 2004. Is that what I take from your remarks?

Hon Mr Flaherty: I think it was by 2004.

Interjection: No, 2003.

Hon Mr Flaherty: It's 2003.

Mr Phillips: It said 2004 in the document, in the speech.

Hon Mr Flaherty: I can check that.

Mr Phillips: If you could give us what the answer is. I'm just wondering.

When you introduced the Fair Share health levy, you said, "For some time now, there has been growing debate over the most effective way to ensure more responsible use of our universal health care system. In the last decade, user fees and co-payments have kept rising and many health services have been 'delisted' and are no longer covered by OHIP. We looked at those kinds of options, but we decided the most effective and fair method was to give the public and health professionals alike a true and full accounting.... We believe the new Fair Share health care levy, based on the ability to pay, meets the test of fairness and the requirements of the Canada Health Act while protecting the fundamental integrity of the health care system."

You've indicated you're planning to eliminate the Fair Share health levy. Why would you be eliminating the Fair Share health levy?

Hon Mr Flaherty: Because it's a surtax and surtaxes deter initiative and entrepreneurship in Ontario. We know that it is that initiative and that entrepreneurship that creates most of the jobs that have been created and are being created in the province of Ontario by small and medium-sized businesses. It was a necessary step but we are moving forward. I took the first step, as you know, in last year's budget to eliminate surtaxes in Ontario.

Mr Phillips: That's the Fair Share health levy. You're eliminating what you said, when you got elected, was the fairest method of funding health care. Have you decided that somehow or other what you said then wasn't the case?

Hon Mr Flaherty: As you know, it's a surtax. It was necessary at the time. As we move forward, I certainly intend to eliminate not only the surtax but the capital tax. They're both job-killing, non-productive taxes.

Mr Phillips: But it's your own Fair Share health levy that you said at the time was the fairest way of funding health care. Which is right? Were you right then or right now?

Hon Mr Flaherty: It was necessary at the time that we do that. You'll recall, when that was done we had been left with one mess in the books of the province of Ontario by the Liberal and NDP governments that were in power from 1985 to 1995, Ontario's lost decade, which fortunately we're recovering from. We had to do that to put the house in order. But as we move forward in terms of taxation policy, we believe in reducing taxes. We don't believe in payroll taxes, we don't believe in surtaxes and we don't believe in capital taxes.

Mr Phillips: But you need to fund health care, Minister. You said at the time it was the fairest way and now you're abandoning what you called the Fair Share health levy, which I assume you had examined and determined, as you said in your own document, the fairest way of doing it.

Hon Mr Flaherty: At the time, it was necessary to have a surtax in order to fund health care, you're correct. If you look at the big picture, do we believe in surtaxes—

Interjection.

Hon Mr Flaherty: I know you probably believe in surtaxes and you probably would maintain them if you had the choice.

Mr Phillips: No, you introduced the Fair Share health levy. It wasn't me.

Hon Mr Flaherty: I'm telling you, as we go forward, as I demonstrated in last May's budget, I am a proponent of eliminating surtaxes over time. We already have a graduated income tax in Ontario, so that persons who make more money pay more tax. That is, I think, our agreement together, that that's a reasonable way of collecting taxes. But surtaxes pile on top of that and they discourage job creation in Ontario. That's not good for the future of the province.

The Chair: Thank you, Mr Phillips.

Hon Mr Flaherty: To answer your question—can I just—

The Chair: Go ahead.

Hon Mr Flaherty: The property taxes will be completed by 2004, as stated, \$1 billion.

Mr Phillips: Does that mean that by January 1, 2004, it will be fully implemented?

Hon Mr Flaherty: No, the residential education cut is completed by 2003, the business education reduction by 2004. So it is by 2004, if you're asking about the business education reduction. If you're asking about the residential education reduction, it's by 2003.

The Chair: Thank you very much. I have to go to Mr Christopherson.

Mr David Christopherson (Hamilton West): Good morning, Minister.

Hon Mr Flaherty: Good morning.

Mr Christopherson: You talk about your list of tax cuts. I can tell you, in the two communities we've been in so far, there have been those who have come in and agreed with you, but they've really been in the minority. The majority of people and groups that are coming in to see us—and I expect that to continue—are people who are living the result of your absolute obsession with tax cuts at the expense of public services.

You've talked about the fact that you've got difficult decisions coming up now to make up the \$3-billion to \$5-billion deficit that you're facing. What we're hearing out in the communities is the fact that education, health care, homelessness, issues of poverty, children's mental health, services for seniors—these are the issues we're hearing about. What they're telling us is that they have had the impact of your cuts from 1995 till now, through you and your predecessor, and they lived through those "difficult decisions," as you call them, meaning cuts to our public services, in the good times. Now you're coming in here today and saying you've got more difficult decisions, and that means these same groups and these same sectors of our economy and our society are going to be cut again.

Minister, how does anybody win, other than the very well off in this province, when what you do is say, "There are difficult decisions and we have to cut your

funding," in good times, and you say, "We've got difficult decisions and we're going to have to cut your funding," in bad times? How on earth are we expected to maintain the kind of society that we've had in the past when all you do is cut, cut, cut, in good times and bad times, and the vast majority of people never see any good times for them? How's that supposed to work?

Hon Mr Flaherty: Thank you for the question. In terms of reductions in spending, let's take the largest part of the budget, health care. Health care spending has increased by about \$6 billion since we came into office. It has now reached almost \$24 billion in the province. That's not a cut. I'm sure anyone looking at those numbers would go, "That's quite an increase," some \$6 billion in the course of the six years or so that we have been in office.

A good question is, is our health care system \$6 billion better as a result of that very dramatic increase in spending? I've indicated already here this morning that inevitably health care spending will be higher in the next fiscal year than it is in this fiscal year because of the demands on the system: an aging population and new technologies and new drugs. The reality is, the federal Liberal government refuses to be a true partner with the provinces on health care. When they asked Premier Robarts to go into this federal plan in 1969, the agreement was 50-50. Today it's 14 cents from the federal government, and that's all. So I can't agree with your premise, Mr Christopherson, nor would I agree with persons who would appear in front of this committee and say that we have reduced spending, that we've cut spending on health care, because it's not an accurate statement.

Mr Christopherson: Just on health care, by the time you factor in the increased population, the aging population and inflation, you're not meeting the needs. Your actual numbers may be up, but in terms of the service they're providing, it's down. You may not want to agree with me; that doesn't come as a big shock to anybody. But I'll tell you, the fact that you're prepared to sit here today at your first appearance and just dismiss everybody who's about to come forward and disagree with you is an insult.

I can tell you we heard from the Windsor-Essex Catholic District School Board. Do you know what they said when I asked them whether they would prefer that you run a short-term deficit rather than balance the budget or give them the money they need? Do you know what they said? They said that your balanced budget is not really balanced because you're just pushing the deficit on to them, on to the school boards. If you want to come back down to Windsor with us and tell the Windsor-Essex Catholic District School Board that they don't know what they're talking about, I'd love to be at that meeting, because they were using words like "crisis" and "bankrupt" and "lost futures." That's where the rubber hits the road, Minister: out in our communities.

I find it extremely insulting that you would sit here today and just say that you don't care about what anyone has to say who disagrees with you, that they are just plain

wrong. They're not wrong. They are dealing with the kids. While you run around trying to get yourself elected Premier, they're trying to figure out how they are going to provide a decent education, and you're not giving them the money. But, whoa, anybody who suggests you might want to slow down on your tax cuts to make sure there is money for the school boards, suddenly we're speaking Canada's version of evil.

Minister, I want to know what you would tell those trustees, the teachers in Windsor-Essex and in other communities, why it is they're wrong when they say to you that they don't have enough money to provide the kind of education that they're mandated to provide. What are you going to tell them?

Hon Mr Flaherty: I realize the committee has had some hearings so far in Ontario as part of your pre-budget work. I have conducted what may well be the most extensive pre-budget consultations in the history of the province.

Mr Christopherson: By invitation only.

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Hon Mr Flaherty: I have been in 17 communities so far. By the time we're finished it will be more than 20 communities. We're taking two very long, full days this week on Thursday and Friday in Toronto to continue the pre-budget consultations. By the time they're finished, I will have met personally with in excess of 1,200 people in terms of pre-budget consultations. It's very important to listen to the people of Ontario.

Yes, I've heard from school boards, including the Roman Catholic school board in Ottawa. I remember our discussions there, and there are specific concerns that do make it important that we listen not only to school boards but to parents and teachers and students across the province. There are concerns about rural funding for buses, for example, which we addressed in-year last year, because it is accurate, and we certainly heard from the rural boards, that they have expenses related to busing that are proportionately greater than those incurred by more urban or suburban school boards.

There are always pressures on the special education side. That's a great concern. I'm sure it's a concern of yours. I share it with many parents who have concerns about special education. It's an area that's always going to be challenging for us in terms of not only identifying students requiring special education and the various ways of doing that, but also developing and funding the appropriate programs.

These are important issues. They are issues we will work on year after year in Ontario. But at the same time, we have to remember that running up debt and deficits simply pushes off to our children and to our grandchildren our responsibilities. It is irresponsible for us as adults to ask our children to pay for our standard of living today and mortgage their futures. I don't agree with that.

Mr Christopherson: I'm going to say to you, Minister, I think it's equally irresponsible to push that deficit down to school boards with the result that children aren't receiving the education they should get. I'm surprised

that you would even raise the issue of special education. That gets raised at least four or five times a day in the communities we're in. None of your backbenchers will admit there's not enough money, and yet that seems to be the only solution. So all your words are nice, I suppose, for your friends and the people you meet with—by invitation, by the way. Those are not open meetings. You're not putting out a general notice saying that anybody who wants to come out is welcome. That's certainly not what happened in Hamilton.

When you want to talk about irresponsible, what we're hearing from people responsible for services on the ground is that it's irresponsible to leave children without their special education assistants, because they're disrupting whole classrooms and the whole school is falling behind because you don't give enough money for special ed. Of what value are your words when what they say they need is money, Minister? You've got lots of money for your tax cuts, lots of money for that, but not enough money for special ed.

Hon Mr Flaherty: You know, if the solution to the challenges we face as a society were as simple as throwing money at them, we would have solved all the problems a long time ago. We're spending a lot of money in Ontario: \$64 billion. This is not an inexpensive operation. Governments in Canada—federal, provincial and municipal—are spending about 42% of the gross domestic product of this country. We've got lots of government and we've got lots of government spending. May I say respectfully, it's more difficult to choose priorities, focus on those priorities, make government smaller and more efficient and hopefully excellent at what government must do, but stop trying to be all things to all people.

What happened for a generation in Canada, especially from the mid-1970s to the mid-1990s, was rapidly escalating spending by governments of all levels in this country, and of various political stripes. I might add, resulting in very substantial public debt both federally and provincially. That debt burdens us today. If we had the more than \$9 billion we pay on interest for education or health care, that would sure go a long way in Ontario toward alleviating the spending pressures in those areas. The answer isn't to run up the debt more so that five years from now we're in a worse situation. That surely isn't the answer. That's the old 1970s, 1980s way of thinking that got us into this debt situation today.

The Chair: You have a minute and a half.

Mr Christopherson: Thank you. But, Minister, what you're not acknowledging is that you haven't made the deficit go away; you've just put it in a different place. You're creating social deficits. That's what we're hearing at the committees. It's fine for you to run around and say, "I've got a balanced budget, I've done all these wonderful tax cuts," and that you don't believe in deficits, but you haven't made them go away; you've just put them somewhere else. It's a shell game.

The reality is that you've cut almost \$2 billion per capita from education, and it's showing in terms of the quality of the education that's being delivered in our

classrooms. It's showing itself by the budget deficits that are being run in hospitals. A waiting list for a child that needs mental health counselling is a deficit. You haven't eliminated a thing. You've just shifted the problem elsewhere.

A couple of last thoughts in the moments I have. I haven't heard you talk this morning at all about what you're going to do about the crisis in the auto industry as a result of the Auto Pact disappearing. We're losing thousands of jobs structurally in the steel industry, and that came across in the Soo. Certainly in my own hometown of Hamilton there's real concern about the future. You haven't announced any measures in regard to those two areas.

On the issue of hydro, I'd like to know what you would say to John Mayberry, president and CEO of Dofasco in my hometown of Hamilton, who says that your intent to privatize and deregulate hydro "will impact the prosperity of households and families and dampen economic activity by making it more difficult, if not impossible, to compete at a time when we can least bear it."

Those three items, if you would.

Hon Mr Flaherty: I made extensive reference to what we're doing for business in Ontario in my opening remarks. We're reducing taxes. We're reducing personal income taxes and we're reducing corporate taxes. By the way, so is the federal government, because the federal Liberals, unlike the provincial Liberals in Ontario, realize that tax cuts create jobs, they stimulate the economy and they create further investment. That's what we're doing for all businesses in Ontario. Do we play favourites? Do we pick winners and losers in business? No, we don't. Is there good news—

Mr Christopherson: So, what, the auto industry can just disappear?

Hon Mr Flaherty: You may not have heard the announcement by DaimlerChrysler about the Pacifica car, I believe it's called, that's going to be built on the van line in Windsor. There's good news in the auto sector as we move forward in Ontario.

Dofasco, Mr Mayberry's company, showed a profit last year. Good for them.

Mr Christopherson: He's worried about that ability with your privatization of Hydro, though, Minister.

Hon Mr Flaherty: There aren't many steelmakers who can say that in North America, so I congratulate him and his company on their success.

Mr Christopherson: He's worried that he'll be one of them.

Hon Mr Flaherty: I know he's asking about Hydro. I had a meeting earlier this week with some of the major industrial electricity consumers, including Dofasco, I might add. They do have concerns. The biggest protection—

Interjection.

The Chair: You're running out of time, Mr Christopherson. If you're not going to let the minister answer—

Mr Christopherson: I've heard that before.

The Chair: —I'm going to have to go to the other side. You may finish, Minister.

Hon Mr Flaherty: I'll finish quickly. The biggest protection to industry and to all consumers in Ontario about opening the market is that competition is the surest guarantee of fair pricing as we go forward.

Mr Christopherson: You're alone with that answer; you know that.

The Chair: We've run out of time and I'll go to Mr O'Toole.

Mr John O'Toole (Durham): Thank you very much, Minister, for appearing here this morning. Just responding to your remarks, your careful leadership in these difficult times is evident here this morning. It's also evident in the Your Bright Ideas budget tour. I commend you for the confidence you show in staying the course.

The issue of health care is not the only issue that we've heard. This committee has travelled in the last couple of days to Sault Ste Marie and Windsor. Of course, the health care demands are enormous that we've heard about. It's just hard to add up the numbers as quickly as they speak. Education of course is also one of the issues that is continuously pressing. They are using the word "deficit" in most of the cases we hear about, and of course it's illegal to plan a deficit. We're also hearing about children's services and a whole broad range of areas, children's mental health.

But on the issue of health care, I was most impressed with a couple of the presentations that this committee heard on a whole new delivery model which is quite interesting. The Group Health Centre in Sault Ste Marie has demonstrated just one example that they've used in their particular delivery of service—and this is on the record. For instance, they have reported to us that the protocols they use in the congestive heart failure program they have with patients, as well as in dialysis, could result in savings of \$100 million annually, if implemented. I know there are new ways of delivering, other than just continue to write the cheque to respond to the demand. I heard from the opposition that their response was basically to write a cheque, not to look at new and challenging methods.

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If I listen to the debate on the issue, whether it's Romanow or Kirby or Mazankowski, they are looking for solutions. I haven't heard much from the federal government, either Allan Rock or Anne McLellan. This government made a Blueprint commitment in 1999. I'm looking for solutions. You've made a statement here just in the last couple of minutes that we committed to increase spending—I believe 20% was our Blueprint commitment. I just wonder if you could give the committee some kind of navigational bearings on where we are in that Blueprint commitment. Have we kept our promise or indeed have we exceeded the promise?

Part 2 of the question is, how can we sustain the demands in health care without the fundamentals of the strong economic policies that we've had in the last

several years in this province, if that's not putting you on the spot. The health care question is by far the largest demand. As I said, you could hardly keep the calculator going fast enough to respond to the demands in the current delivery model.

Hon Mr Flaherty: On the numbers, health care base operating spending will be \$23.7 billion in 2001-02, which is an increase of \$1.5 billion, or 6.9%, over the 2000-01 actual base operating spending, which was \$22.2 billion. The increase of more than \$6 billion is over 35% from the base spending in 1994-95, which was \$17.6 billion.

Thank you for telling me about the committee hearings: some good ideas, some bright ideas about smarter spending in health care. Even though it does require more money, we do need to spend in a wiser way to make sure we maximize the funds that are being spent on health care.

In 1995, we did inherit from the previous governments the reality that we had the equivalent of 32 hospitals closed in Ontario, except they hadn't closed any buildings. They closed wings of hospitals and they closed floors of hospitals but not one building around the province. So we still had all those expenses. And yes, we did enter into a period of restructuring to create a true system in health care so that there is a continuum of service, from primary care through hospital care through acute care in hospital through outpatient care through long-term care and chronic care and home care in the community in Ontario.

I've seen some good examples in my pre-budget consultations as well: the rheumatology clinic that's been created at St Joseph's hospital in London, for example, where three separate services were brought together under one roof. I think it's in the Monsignor Roney wing at St Joseph's in London. Patients love it, the physicians love it and the staff like it, and they're delivering the services in an efficient way in that one example of restructuring in London. So there are lots of ways we can spend smarter as we go forward, and I thank you for that example.

Mr O'Toole: How you fundamentally fund health care is really the question, I suspect. I've always come to the basic opening principle of the strong economy that is necessary to grow the revenue to support health and education. I look at the triggering upturn policies that you outlined this morning. Perhaps you could indulge the committee by reinforcing some of the anticipated growth in the GDP. As we know, every point of GDP is about half a billion dollars, so that's a pretty important monitor in terms of where the revenue is going to come from.

Hon Mr Flaherty: It's probably worthwhile looking at the last few years. In 2000, the GDP growth was 5.3%. Then I became finance minister and things slowed. The GDP growth was, as I said earlier, 1% in 2001; 1.3% is the anticipated GDP in 2002, and 4.4% in 2003. If you look at that pattern over the course of the past several years, we are obviously in a time of slower economic growth, but certainly the private sector economists are

indicating to us that we're moving out of the trough, back into a period of much more substantial economic growth.

The key is that we have a solid foundation in Ontario, a diversified economy with many strains in the economy, in the automotive sector, the steel industry, agribusiness and the high-tech sector, which is coming back. So we have many areas of the economy that can build for us. And of course we have the construction sector, which has been a stalwart during this time of slower economic growth. So there are many positive signs for the Ontario economy going forward.

Mr Doug Galt (Northumberland): Thank you, Mr Flaherty, for your presentation. I very much appreciate it and your positive outlook on the future. That can certainly almost drive us into economic good times.

The question I have for you has to do with education. I look at our budget and see that we've increased spending by approximately \$1 billion, yet I hear the opposition, with their doom and gloom, talking about cuts of \$2.3 billion. I think that's approximately the figure they're using. I have no idea where they're coming from. Maybe you could explain to this committee what's really happening in the funding of education, because I see a \$1-billion increase. Maybe you could explain this difference that we're hearing.

Hon Mr Flaherty: I suppose the bottom line is that we're spending more money on education than any other government has ever spent in the history of Ontario. So we could start there. When people suggest there are cuts in education spending, certainly in terms of the tax dollars of the people of Ontario going out the door, record spending is happening in education.

The hard numbers are \$13.8 billion for elementary and secondary schools in the current school year, September 1, 2001, to August 31, 2002, about \$8.5 billion in provincial funding and \$5.3 billion from property tax revenues.

Not only is education funding at record levels, but more of the money is focused on the classroom. As you know, Mr Galt, that was a reform that our government initiated. We wanted to target less money for large bureaucratic administrations and more money for the students in the classroom. For that reason, we have some enveloping of some funding for school boards, for example in special education, so that school boards cannot dip into the special education envelope and use it for other purposes. There's been some discussion about whether we should envelope more of that funding, and that's something we can talk about in another forum perhaps.

I think parents and students appreciate the fact that a lot of money is being spent on education in Ontario, that it is focusing on the classroom, and that—and this needs to be said from time to time—because of the Mike Harris government, for the first time in the history of Ontario there is equal funding between Catholic and non-Catholic students in the public system. Not only that, but there is equal funding for students across the province, whether they live in a rich neighbourhood or a poor neighbour-

hood or something in between. We no longer have rich school boards and relatively poor school boards; we have equal funding for all of our students in Ontario regardless of their parents' means.

Mr Ernie Hardeman (Oxford): Thank you, Minister, for being here this morning. One of the things we've heard discussed a number of times is our provincial debt and the problem that servicing that debt causes with further expenditures, where money that should be going to program spending is going to service the debt of past generations, or my generation spent the money on behalf of my children.

In the past, in the third-quarter finances, the money that is left over in the reserve is usually transferred over into debt repayment to try and lower that debt burden. I'm wondering why in the presentation this morning you didn't put it into the third-quarter debt repayment. You still have it as a reserve. Is there any significance to that?

Hon Mr Flaherty: Thank you for the question, Mr Hardeman. As you know, the surplus reserve is built in each year in budgeting to make sure that we can balance the budget. We are encroaching on the reserve this year because of slower economic growth and the effects of September 11. We did decide to maintain the balance that hasn't been attributed yet, the \$450 million, into the fourth quarter because we may need it in order to balance the budget this year. But we will balance the budget this year, and that's why we budget a reserve, so that we can deal with times of slower economic growth.

The Chair: With that, we've run out of time. Minister, on behalf of the committee, thank you very much for your time this morning.

Hon Mr Flaherty: Thank you, Mr Chair.
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The Chair: Our next presentation will be from the Minister of Finance. I would ask, for the record, if you could please state your name. On behalf of the committee, welcome. You have one hour for your presentation.

Mr Christopherson: He's higher than that. He's the deputy.

Dr Bob Christie: My name is Bob Christie. I am the Deputy Minister of Finance.

Thank you for giving me the opportunity to say a few words to the committee this morning to help set some of the framework. We have some other people here from the Ministry of Finance and I'd like to begin by introducing some of the people who will be here and available to answer questions. This is Gabe Sékaly, who is the assistant deputy minister of our fiscal and financial policy division. To his right is Gadi Mayman from the Ontario Financing Authority. To my left is David Lindsay from SuperBuild. To David's left is Pat Deutscher from our office of economic policy. I know Tom Sweeting is here. Tom is in the back row there. He's our expert on taxation matters, so we'll be calling on Tom if there are any questions on those.

As the minister noted, today we have released the third-quarter Ontario Finances. Again, as the minister

noted, we continue to be on track for another balanced budget this year. This would be the first time in nearly a century that Ontario is planning to balance the budget for three consecutive years.

Revenue this year, as is shown in the Ontario Finances, is projected at \$63.9 billion, \$63.864 billion, which is down a little bit over \$400 million from the budget plan, and \$248 million from the second quarter. The decline this quarter is mainly due to decreases in retail sales tax revenue and employer health tax revenue. The decline in the second-quarter finances was more weighted toward corporate income tax.

Total expenditure this year, as of the third quarter, is projected at \$63.4 billion, which is up approximately \$144 million from the budget plan. The increase in spending of \$144 million is largely because of a \$300-million increase in funding for hospitals announced last quarter. That's partially offset by some underspending in public debt interest and some of the capital programs.

The balanced budget outlook for this year also reflects a \$1.8-billion increase for the year in total expenditures over the previous year, 2000-01, mainly due to the \$1.5-billion increase in health care spending that the minister mentioned in his discussion.

With economic growth being slower than projected, and because of the role of the reserve that is included each year in our budget planning, an additional \$250 million from the reserve was used this quarter to meet the balanced budget target. If needed, the \$450-million balance of the reserve will be available for debt reduction at the end of the year.

A slowing economy obviously means slower growth in government revenues. However, there are indications that the economy will be more buoyant in the not-too-distant future. As the minister noted, Ontario's economy is expected to have grown by only 1% this year. The downturn in the US and the events of the early part of the fall have had a discernible effect, which I'm sure all members of the committee have noted in their own communities. However, we are seeing stronger growth in the US. We're seeing tax cuts at the provincial and federal levels having a continuing impact. Lower interest rates and lower oil and natural gas prices are all expected to contribute to a pickup in activity in the middle of this year.

The private sector forecast for Ontario's real GDP growth this year is 1.3%—I note that's the private sector and I think we've supplied the information from which we have derived that number—rebounding to 4.4% in 2003. These forecasters expect the unemployment rate to rise from 6.3% in 2001 to 7.1% in 2002, and then fall back to 6.7% in 2003.

The slower pace of growth is expected to result in continuing moderate inflation. The CPI inflation rate is expected to decline from 3.1% last year to 1.3% this year and that's already beginning to show in the monthly information that's coming out. It has dropped back into that 1% range.

The current outlook, both fiscal and economic, reflects substantially lower growth projections than we were

working with last year at budget time, and certainly last year when we last spoke to the committee about these matters. As we noted, the current private sector forecast for this year is 1.3%. Last year, at budget time in the spring, the private sector was looking for growth of closer to 3.6%. Clearly there is a substantial reduction that has been forecast for this year.

Last year at budget time, the private sector forecasters were looking for about 2.3% growth for the Ontario economy in 2001. We now expect that it grew about 1% in 2001.

Our practice, as we move forward toward finalizing numbers for the budget, is to be cautious in terms of the way in which we approach the economic forecast and the revenue forecast. Over the past few years, our forecasts have been about 0.1% below the prevailing average of private sector forecasts, and that has been a consistent practice of the ministry. These private sector forecasts are not the ministry's forecasts; they are the forecasts of the private sector people, and for planning purposes we will typically consider something somewhat less than that. As views change over the next month or two as we move toward the budget, we will be monitoring the private sector forecasts and changing our plans if we feel that that's needed, given the changing views.

The minister noted the effect of slower growth on revenues. A one percentage point reduction in real GDP is estimated, on average, to result in about a \$610-million impact on our fiscal position. This is a rule of thumb, it's an average; the actual number in any specific situation will depend on the composition of the change in GDP. If it's concentrated in retail sales, or perhaps international trade might be a better example, where we do little direct taxation, then it may be less of an impact. If it's concentrated in retail sales, particularly in the durable goods that are part of our retail sales tax base, we may see a larger impact. But, on average, that is the impact we have worked with over time.

By the way, that includes both a revenue impact and an expenditure impact. The expenditure impact would represent the impact primarily upon social assistance costs, the expenditure side being affected by the change in the economy.

Lower interest rates also have an impact on the government's budgetary position. A one percentage point reduction in interest rates would, on average, lower public debt interest charges by about \$80 million.

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As we go ahead, we are going to be benefiting from, as I noted earlier, the decline in interest rates. The Bank of Canada has reduced interest rates by nearly 4%, 3.75% since the beginning of 2001, and that's been very helpful in maintaining and stimulating activity in interest-sensitive sectors such as housing or consumer durables. The minister noted particularly both the new home and the resale behaviour of the housing market and how strong it's been through the year. Some of that certainly can be attributed to the declines in interest rates.

Most economists, I think, would see interest rates as being near at least their cyclical lows and not likely to go

a lot lower, but we will continue to benefit from the low level that we've experienced over the last little while as we go ahead through 2002.

On oil prices, there was of course a significant decline in energy prices in 2001. Since peaking at about US\$34 per barrel in November 2000, oil prices have declined to the US\$19 to US\$20 range recently. This is saving Ontario consumers about \$2.3 billion a year in lower gasoline price, lower oil price etc.

Natural gas prices have also fallen by 70% and that saves Ontario consumers another \$750 million, all of it available for spending or saving or investing on the part of our consumers.

The US is expected to rebound as well, and that will be very helpful to us as we proceed with the recovery. Lower interest rates and energy prices will help the economy in the US as well as here. Recent data have shown an improvement in economic conditions in the US, with consumer confidence and spending rising, new orders for manufactured goods rising, and an improvement in the assessment by the major US forecasters of the situation down there. They now expect growth to be 1.5% in the US in 2002 and 3.5% in the US in 2003.

In detail, the private sector forecast for Ontario is shown on the slide. I draw your attention to the broad-based pickup in activity that people are seeing for the economy. Consumer spending will grow. It's projected to grow next year through higher after-tax income and low interest rates, so we're expecting retail sales growth of about 5.7% next year, according to the private sector forecasters.

The housing market is expected to remain buoyant; again, growth in after-tax incomes, low interest rates, growth in population.

The investment outlook is continuing to be affected by the performance of the manufacturing sector and some excess capacity, so firms are likely to be cautious in their investment spending plans in the near term, although as growth picks up through 2002 and 2003, investment spending is expected to rise quite sharply.

Exports are expected to gain strength as the world economy and particularly as the US economy continues to improve. Markets for some of our key products such as autos and telecommunication equipment are likely to remain soft in the months immediately ahead. As a result, private sector forecasts don't expect trade growth to resume on an annual basis until 2003.

In conclusion, the minister has noted that the province is in a position where some tough choices will have to be made in preparing next year's budget. However, for some of the reasons outlined here, and as the minister noted, there are significant grounds for optimism and confidence that the Ontario economy will proceed to recover from this slowdown in strong shape. Thank you very much.

The Chair: That completes your presentation?

Dr Christie: Yes, sir.

The Chair: Thank you very much. We have approximately 13 minutes per caucus. I'll start with Mr Christopherson.

Mr Christopherson: Thanks for your presentation, Bob. Just to warm up a bit here, you talked about the impact of lower Bank of Canada interest rates. Conversely, what is the impact as they start to be raised again?

Dr Christie: It will depend, clearly, on the pace and level that they get back to. They are at unprecedented low levels, so some increase is expected and will likely have minimal impact. Depending on how strong the recovery is, the bank will likely react more strongly the stronger the economic recovery. So I think the higher interest rates than people might be expecting are likely to end up being a sign of unexpected economic strength, because they'll reflect the bank reacting to the economy, as opposed to attempts by the bank to slow down the economy from the kind of numbers that we've seen.

Mr Christopherson: I realize it's all crystal ball, but are you expecting anything—some of the numbers people are touting are coming in strong. Are those indicators strong enough to suggest to you that we're going to see something in calendar 2002?

Dr Christie: Something in terms of—

Mr Christopherson: Increased interest rates. Do you think the Bank of Canada is going to be confident enough that, if things continue, they'll start to do that this year, or is it still too fragile?

Dr Christie: I think they'll want to see the economy establish something of a track record in that regard and I think they'll want to be confident that a recovery is reasonably well underway and that it has some vitality to it before they begin raising rates. But I think that, particularly, as I said before, the stronger it begins to look, the more aggressive they're likely to be in terms of moving on interest rates. They moved very aggressively after September 11, as did the Fed in the States, and I expect that as we see the impacts of that move out of the system they will want to move interest rates back up.

Mr Christopherson: In the Ontario Finances report, which was tabled today, on page 8 under "Revenue," "Government of Canada," third line down, "Social housing," 2001-02, you're looking to receive \$530 million from the federal government. Again, your line item for the revenue generation is "Social housing," yet we know in the estimates, I believe, that the money allocated for housing is down about \$600 million. I'm wondering where that \$530 million has gone. Has that gone into the general revenue fund? Has it been earmarked for housing? As I'm understanding this, that's \$530 million transferred to Ontario from the government of Canada for social housing. I'm wondering, where that appears as revenue, where is that actually going?

Dr Christie: Where's the corresponding expenditure?

Mr Christopherson: Where is it going? Because housing seems to be down by almost \$600 million. So we have trouble understanding how it could be going there, and if it's not, then the question for the politicians will be why. But from you on a technical basis I'd like to know where the \$530 million is.

Dr Christie: We're having the technical expert brief us on that.

Mr Gabe Sékaly: My understanding is that we get the money from the federal government and it's flowed through to the municipalities for social housing, for their costs. So it is a flow-through.

Mr Christopherson: A 100% flow-through?

Mr Sékaly: That's my understanding.

Mr Christopherson: Is it specifically for housing, geared to municipalities? Is that the only thing they can spend it on?

Mr Sékaly: I believe so, yes.

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Mr Christopherson: Also, Bob, you were suggesting that this year you're looking at about a 1% increase in GDP. I'm wondering, at this point everything still seems to be pretty flat, so 1% looks a little optimistic. That sounds almost strange to say, but in these times that fits. It seems a little optimistic. Where are you getting even the 1%?

Dr Christie: I think we had a slide up there showing an expectation of some balance between the various sectors, with the exception of trade. We don't expect the trade side to show much this year, but we still have some strength on the domestic side: housing, retail sales is beginning to come back. You, I think, saw reports that some of the Christmas and post-Christmas retail sales performance was better than people expected, department store sales were better than people expected, consumer confidence coming back. So I think there's potential on the consumer side to contribute to some growth. Consumers are something like two thirds of the economy, so they are a very powerful influence on the growth side. As the economy picks up, investment will follow it. Again, it's not likely to be terribly strong.

Mr Christopherson: What does that represent, in dollars, for the provincial government, the 1%? The 1% translates into how—

Dr Christie: The 1% of GDP is how many billion dollars?

Mr Pat Deutscher: About \$4 billion.

Mr Christopherson: About \$4 billion.

Dr Christie: That's adjusted for inflation.

Mr Christopherson: So if that's over-optimistic in any way, that's serious. That's up from zero to \$4 billion, right? Four billion dollars is 1%; if you lose it all, it's \$4 billion.

Dr Christie: It's \$4 billion worth of economic activity, not of revenue.

Mr Christopherson: Oh, I see. What's that revenue for you?

Dr Christie: Oh, it would depend on what the composition was. We've indicated that 1% on GDP is about \$600 million. It's around \$560 million in revenue and about \$50 million in expenditure, primarily social assistance.

Mr Christopherson: And the last budget projected was supposed to be what?

Dr Christie: For growth?

Mr Christopherson: Yes.

Dr Christie: For this year, I think the private sector people were looking for 2.3% for this year. No, it was in the 3% range, wasn't it?

Mr Deutscher: It was 2.3% for 2001 and 3.6% for 2002, so it has come down about two and a half percentage points for the calendar year now beginning.

Mr Christopherson: And you're projecting what for next year—2002-03?

Mr Deutscher: In terms of economic growth?

Mr Christopherson: GDP increase, yes.

Mr Deutscher: This is on a calendar-year basis, and this is the private sector forecast. It's now 1.3% for 2002, accelerating to 4.4% in 2003.

Mr Christopherson: So if you go back where we were a year ago, the projection was 3.6% and now you're at 1%, and put at the same point today looking down the road, again, you're looking at 4.4% from 1% this year. That's an awful lot of economic activity in 12 months, going in a 180-degree different direction to where you were a couple of months ago. It sounds pretty optimistic.

The minister also talked about how 90,000 jobs were created in 2001. I'm a little confused. Some of the numbers that we have suggest that it's less than 10,000. The numbers that you gave us suggest less than 10,000. How did we get from 10,000 to 90,000?

Dr Christie: I'll ask Pat to comment in some detail on this, but my understanding is that you've got to be careful whether you're comparing January to January or annual average to annual average.

Mr Christopherson: Exactly. If we're talking January to January, it's less than 8,000.

Dr Christie: The figures we use in the budget, the monthly numbers, are sufficiently noisy—that is, they bounce around all the time for reasons that have sometimes more to do with seasonal adjustment and other factors—that we tend to use the annual average and compare annual averages. The annual average rate sits at about—

Mr Christopherson: You picked a month and then picked another month and said, "There's a year." If we go calendar, January to January, it looks like 8,000 jobs, not 90,000. Correct?

Dr Christie: Yes.

Mr Christopherson: Yes, that's correct.

Dr Christie: I think that's what the numbers—

Mr Deutscher: That's right. That reflects the economic slowdown that occurred, but we use the average level of employment for the year as a whole in order to get away from the bumps that occur when you just look at one month at a time.

Mr Christopherson: I understand. I wouldn't have a problem with that if that just meant a few thousand here and there, but we're talking the difference between the minister saying 90,000 jobs, and calendar—January to January—the real number saying a little less than 8,000. From 8,000 to 90,000—a huge difference.

The last question that I probably will have time for is, the minister has been talking about between a \$3-billion and \$5-billion shortfall in revenue. Can you give us a bit

of a breakdown? Where exactly is that showing itself? Is it the corporate side, the income tax side, the retail side? Which taxes are failing to generate the expected money?

Dr Christie: I think the minister indicated that the \$3 billion to \$5 billion was a combination of some revenue weakness and some expenditure pressure. But to comment on the revenue weakness, as we've seen in the Ontario Finances to date, the revenue weakness has been reflected in corporate income tax, employer health tax and retail sales tax. They've been—

Mr Christopherson: To what degrees, though? Just a little bit more detail if you could, please.

Dr Christie: Pat, do you want to give the specifics?

Mr Deutscher: On page 8 of the quarterly finances there is the breakdown of the revenue change relative to the budget projection that we've seen for 2001-02. You can see the corporations tax is down by \$400 million for the current year relative to the projection. That is the single largest component—

Mr Christopherson: Sorry. Which one was that again?

Mr Deutscher: This is the corporations tax.

Mr Christopherson: Yes, OK. The third line under tax—

Mr Deutscher: So at a \$400-million decline, that's the largest part of the decline in our revenues, and certainly that reflects what we're seeing in profit performance economy-wide.

Mr Christopherson: The government plan would have that reduced even more based on the planned tax cuts, correct? This is a result of the downturn in the economy. There's going to be a further decrease in corporate tax revenue as a result of cuts in those tax rates. Is that correct?

Dr Christie: Yes, there are reductions scheduled for corporate income tax rates. The actual impact on corporations tax will really be driven by the level of corporate income, which is so volatile. If the economy does begin to recover, we're likely to see reasonably strong performance there, perhaps not this year but by 2003.

Mr Christopherson: But in fairness, if we're anywhere near as wrong in the projection from now one year out as we were a year ago to today, then it's going to exacerbate an already very difficult situation, meaning you're already expecting to be short \$400 million. If we don't get this great, enormous, miraculous turnaround and the difference is anywhere near as huge as it was the last time—I remember we went from 3.6% to 1%. Now you're looking at going from 1% to 4.4%. So there's a lot of room just based the history from one year ago for that number to increase in terms of the loss of corporate tax revenue. Then on top of that we're going to have the loss of revenue to what tune as a result of the planned tax cuts? What's that loss?

Dr Christie: In this fiscal year?

Mr Christopherson: In this fiscal year and the one out.

Dr Christie: We can get the exact numbers for you. I believe on a full-year basis it would be less than \$500

million now, with a lower corporate profit base that the rate is being applied to. For this year, because the rate reduction comes in January—

Mr Christopherson: I understand, but you're saying annualized it could be close to \$500 million? That's half a billion. So right now, if I'm understanding—

The Chair: With that, Mr Christopherson, I have to go to the other side because we've run out of time.

Mr Joseph Spina (Brampton Centre): My question really ties into the provincial transit investment plan that was announced by the Premier back last September, the announcement to take GO Transit back. This is of particular interest to Brampton. We're suburban GTA commuters. These changes, the capital component, don't show up in the third-quarter finances, but I'm trying to tie that into really partly what Mr Christopherson was leading at. The prediction was 3.6% going into the second quarter of this past fiscal year. It actually nose-dived, and then of course the third quarter after September 11 became a negative.

My concern is that even with these factors, the expenditure is coming in over budget. I don't know if one has anything to do with the other, but I'm wondering if there was a directive on the part of the ministry to tighten the belts of the various ministry budgets. Was there a concerted effort to delay or defer expenditures that perhaps had been planned with the various ministries in order to try to address this? If so, it obviously didn't work.

1130

Dr Christie: I assume you're referring to the current fiscal year, Mr Spina?

Mr Spina: Yes.

Dr Christie: I just want to be sure that these various numbers are understood. The 1% with respect to the year 2002 will have its biggest effect in the 2002-03 fiscal year, in the year coming up. The 4.4% that Mr Christopherson was talking about for 2003 will really have its effect for the 2003-04 fiscal year. So if the 4.4% is wrong, it will have significantly less impact on this year than on next year.

But having said that, in terms of what the response has been on the spending side for this year and for next year, we've certainly worked with Management Board and the ministries, as we do every year, to assure that monies are being spent only on priorities, that discretionary expenditures are controlled and only the most necessary expenditures are undertaken. Management Board of Cabinet has been working very diligently and very rigorously to see that only the most necessary expenditures are undertaken.

SuperBuild, which David represents, manages the capital side of the budget. If I could address those and then perhaps I'll ask David to comment. They tend to make a commitment and then it takes time to execute it. They may be slowed down because of the difficulty of getting the contracts in place or hiring the labour or whatever. We have certainly not slowed down any of the capital investments. In fact, we've been trying to get them to move ahead as rapidly as possible, because one

of the sources of strength in the economy right now is the very large amount of investment that's coming through SuperBuild, as the minister noted, and not just because of the size but because of its distribution across the province. It's providing strength in a lot of communities across the province.

I'll ask David, though, to expand on that.

Mr David Lindsay: The Ontario Finances just tabled today gives you a detailed breakdown of the fluctuations in capital expenditures. On page 3, you'll see—and when you deal with capital dollars, they all tend to be very large dollars. So whenever I say a "small" fluctuation of \$6 million here or \$12 million there, people tend to think of that as not a small dollar, but when you're talking on a \$2-billion budget, it is a minor variation.

Each of those individual variations as detailed on page 3 is as a result, as the deputy pointed out, of specific capital construction challenges. It could be weather; it could be supplies; it could be negotiating a request for proposal, finalizing agreements.

I won't read you the details on page 3; you can see those those yourself.

Mr Spina: Is that page 3 in here?

Dr Christie: No, page 3 in Ontario Finances.

Mr Lindsay: The point I make for you is that there has been no holding back of money because of the economy. Indeed, we've been working closely with our partners to make sure we continue these projects and get them out the door to keep economic activity going in the various communities. If I understand the underlying point of your question—are we slowing down capital expenditures?—the answer is no.

Mr Spina: What's the status, then, with GO Transit?

Mr Lindsay: The reason you don't see GO Transit in your statements here is because it was not assumed by the province until January of this year, so it's not reflected in this quarterly statement. It will be reflected in the next quarterly statement.

Mr Galt: Thanks for the presentation. My question relates to debt and understanding the debt. Back in 1995, we were told that Ontario Hydro had a debt of \$33 billion. Over the next few years we paid off \$3 billion, in my understanding, and now I hear it's \$38 billion. My math doesn't quite work that way. Also, going with the opening up to the market, the competition, the stranded debt will be moved. Help me understand the Ontario debt as it relates to the Ontario Hydro stranded debt coming in: at what point in time, and did we really pay off some of that debt back in the mid-1990s?

Dr Christie: I'm not sure about the mid-1990 reference. I'll ask Gadi Mayman from the OFA if he can help out there. I'll just give him a moment and say that on the stranded debt side, we've been showing that in the public accounts of the province for certainly last year. That's already being shown because with the creation of Ontario Power Generation and Hydro One, they couldn't carry the debt that was there from the old Hydro. Within our public accounts we show the stranded debt from electricity restructuring at \$19.8 billion. That's the figure

as of March 31, 2001. There's a plan in place that the dedication of the revenues that the province receives from the electricity sector as well as the proceeds of any sale of assets would go toward paying down that stranded debt. The plan that's in place looks at paying that off sometime between 2010 and 2015, I think.

Mr Galt: So it will be carried in brackets, whatever, until it's paid off, identified separately from the rest of the provincial debt.

Dr Christie: It's shown in our public accounts separately from the net provincial debt of the province itself. They are added up for a total debt figure, but they are shown separately in the presentation.

Mr Galt: So the grand total is slightly under \$130 billion?

Dr Christie: About \$130 billion, right on.

The Chair: Mr Hardeman. I must point out that you have two minutes left.

Mr Hardeman: I just wanted to question a little bit about SuperBuild, our Blueprint commitment to fund infrastructure over the mandate of the government. I was just wondering, Deputy, through you to Mr Lindsay, how we're doing on that. In the first year or so of our mandate we didn't seem to be moving along very rapidly with getting money out the door, as we've heard. As the economy is starting to go somewhat, there is a greater need to put money into infrastructure in the province. I wonder how we're doing with that now. Are we moving along and on schedule to meet our commitment of the Blueprint by the end of the four years?

Dr Christie: I'll ask David to answer.

1140

Mr Lindsay: There are some assumptions in the question that I'd like to tease out of that if I could. The assumption was that the government wasn't spending a lot of money on infrastructure in the first year of SuperBuild. What happened—and this is an assumption on my part and you can correct me if I'm wrong—I think there was a lot of attention paid to the Canada-Ontario infrastructure program, and because it was not moving quickly, which I'm glad to delve into if you would like, therefore it was perceived that the government wasn't spending money on infrastructure. In actual fact, in the first year of operation, in 1999-2000-01, the government spent considerably more on health care, on colleges and universities and on highways than it ever had before. In that respect, the government had been spending considerable amounts of money on infrastructure, broadly defined. It was the municipal programs which were slow in getting up and running.

Having said that, the government's commitment that you asked about was to spend \$10 billion over five years and find \$10 billion of other partners' money, for a total of \$20 billion of infrastructure spending.

To date, as of February of this year, we have 3,300 projects that the provincial government is a funding partner of, including highways, hospitals, colleges, universities, local sewer and cultural programs and other forms of capital expenditure, for a total provincial ex-

penditure of \$8.79 billion. We've levered another \$5 billion, \$4 billion, off of that for a total capital expenditure of \$13.2 billion in our first three years.

To conclude, I think the government's plan of \$10 billion over five years will be more than met, and our challenge of getting partnership funding of \$10 billion over five years will also be met.

The Vice-Chair (Mr Doug Galt): I'll turn to the official opposition.

Mr Phillips: I'm obviously upset about the lack of revenue projections for next year, because I think it's unfair that we don't have those numbers. You've got them. You prepared them a year ago. I think the public is owed it. Those are your political masters telling you that you can't provide them, so I'll try and get at it a little bit indirectly.

The federal government's \$2.8-billion miscalculation: for me, one of the most important things is what impact it has on this fiscal year, the one that's just ending, the next and the year after that. My understanding is that they were over-calculating by \$700 million and therefore Ontario was getting "\$700 million more than." This is such a huge number that I would have expected by now that the staff would have been all over it and would have said to us today, in the third-quarter results, "Here's the impact." Yet we don't have the impact on this year. If it is a \$700-million impact, that's huge; if it's \$500 million—it's all around capital gains, I gather. My question to you, the staff, is, you must have done a calculation by now on the going-forward impact; how much of an impact do you think it will have on the fiscal year that's just ending and next fiscal year's revenue?

Dr Christie: We have not got from the federal government the results of the assessments of the returns that their error relates to. The error that was being made had to do with the treatment of mutual fund capital gains, capital gains earned in mutual funds. In order for us to know how it would have affected this year, we would need them to have assessed those returns. The tax year 2000 income tax returns for these things still have not been assessed, so we don't have the information from them that would allow us to say the impact on that year, which would roll through into this year. It would be an adjustment that would be rolled through into this year. We don't have that.

I think, based on what we've seen, in a very good year of capital gains, they might have paid us \$700 million to \$900 million from that source—in a very good year.

In terms of an impact going forward—well, let me deal more specifically with the impact on this fiscal year. The impact on this fiscal year is that we will not receive money from that source; we will not receive those funds. We already know from the assessments, and it's reflected in the Ontario Finances, that in 2000, income tax was quite strong and the strength of just the basic income tax base, excluding these special returns, is enough to have us above our forecast. We would have been substantially more above forecast had the federal government continued to make payments as they had in the past, continued to treat these as they had in the past.

Mr Phillips: Are you finished?

Dr Christie: I was going to deal with next year.

Mr Phillips: OK, go ahead.

Dr Christie: With respect to next year, because it depends on capital gains, and given the performance of equity markets and capital markets generally, the amount of capital gains out there is not what it used to be, for sure, as a result, we weren't planning for a lot of revenue going ahead. We would not see there having been a lot of revenue coming from the capital gains side in any event, so it doesn't have that much impact going forward.

In the longer term, it might have, but we really don't throw a forecast out that far. So for next year, when the numbers come together, we don't think there will really be any significant impact, because of the lack of capital gains.

Mr Phillips: If we knew what your estimates were, we could reach a judgment on that, but you won't release those. So you said that in the secret estimates you've prepared, you built that in.

Dr Christie: No, Mr Phillips, what I think I said was that when the estimates are prepared, we don't expect that there will be any component of them that we'll be able to trace to, or any impact that we will be able to identify from, this processing error.

Mr Phillips: Hansard will say something different, but just so I'm clear then, you have built into this year's revenue estimates the impact of the federal government's recalculating its capital gains payments.

Dr Christie: Yes.

Mr Phillips: You must have built it in then three months ago because the number—

Dr Christie: No, sir. We found out about the number on January 29 and we found about the error the federal government had made on January 29. The figure in Ontario Finances reflects the basic strength in the assessed returns, and because they hadn't assessed these returns, it didn't include any great amount of money for revenue from this source. The fact that we're not getting something that we had not included yet in the numbers will not affect the year.

Mr Phillips: It's very interesting, because it's the same number you had three months ago. I will remember this.

The minister indicated that it is the plan of Ontario to have corporate taxes 25% lower than our competitors in the neighbouring jurisdictions. You want to get corporate tax in Ontario—I think 30% is what he showed, versus 40% in neighbouring jurisdictions.

Can you just share with us the rationale for Ontario? I'm a big supporter of competitive taxes. I just don't know, when we are faced with a \$3-billion to \$5-billion shortfall, why we need corporate taxes 25% below the US. I see in your comments you look at state taxes or something like that, but I think the way to look at it is the way you've looked at it, which is the combined federal-provincial taxes at 25% below. Why do we need them 25% below?

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Dr Christie: What the corporate tax cuts, which are being phased in over a period of years, are intended to create, as you noted, is a competitive tax system, and competitive not just this year or next year but for the medium term. We're not sure or we don't know particularly what the American federal government is going to do. They've certainly given an indication of their desire to cut taxes from all sources, so the combined American rates in 2005 aren't known.

When you talk about 25%, I think you're comparing our rate in 2005 to the American rate now, and we don't know what the American rate will be in 2005. We rather expect that they will be coming down as well. I think what the multi-year plan on reducing corporate rates does is ensure that we'll remain competitive.

Mr Phillips: I can't understand this. Are we saying that we want to lead the US so they will reduce their corporate taxes? Why would we want to be saying to the US, "We now have corporate taxes 25% below your rates"? Why would we want to be leading them down in corporate taxes? Why would we not say our policy should be to have corporate taxes competitive, equal with the US?

Dr Christie: I think the government has said that it wants to have competitive taxes, that it will have that regardless of whether our federal government does it or the US federal government.

Mr Phillips: When you say "competitive," do you mean equal to or 25% lower?

Dr Christie: I think in this context, competitive means not higher than, certainly, and the degree to which it's below will depend on the actions of other players in the equation. But I don't think there would be any concern about having been aggressive about pursuing competitive corporate tax rates.

Mr Phillips: But isn't the problem that the minister just told us we've got a \$3-billion to \$5-billion shortfall in revenues and yet I see already our corporate taxes are below any of our neighbouring US jurisdictions? So we've got a huge revenue problem and we've decided we're going to have corporate taxes lower than, and then dramatically lower than, our competitors.

Dr Christie: At the moment our general corporate tax rate, based on the information, I think, that was supplied, is 38.6% versus the US weighted average of 39.8%. So there is currently not a large gap with the United States.

Mr Phillips: Their manufacturing, I guess, is 3% to 4% lower than that?

Dr Christie: Yes.

Mr Phillips: I just for the life of me don't understand why we would be—if I were now a bordering US state, I'd say, "Boy, we'd better start to reduce our taxes." We start to chase ourselves down, at the same time, as you've told us today, we've got this huge revenue problem. Yet we are almost challenging US states to reduce their corporate taxes.

I repeat, I am 100% in favour of totally competitive taxes, but the rationale for 25% lower has never, ever

been explained to me by anybody in the government, including you. You've said "competitive taxes"; I understand. That isn't the policy that you're pursuing.

The Chair: You have two minutes left, Mr Phillips.

Mr Phillips: I've got many questions. If we have more questions, how would we get answers to them? Can we have some more time with the staff? I guess we can just get a private briefing.

Dr Christie: It would depend on the question, I think, Mr Phillips. We've supplied some answers to some specific questions. If we can do that—

Mr Phillips: It's just so much. The next thing, I guess is—

Dr Christie: I'd be happy to discuss it after the session about how we could assist you.

Mr Phillips: Thank you. I notice in the last two years that the province has essentially taken a profit on the teachers' pension of roughly \$1 billion in total. When I say "a profit"—rather than expenses or revenue. It's been a huge windfall of \$1 billion of what used to be an expense. It's turned into a revenue. If you look at the teachers' pension on the books in the fiscal year 2000-01, it was almost an \$800-million profit. I see today that the teachers' pension has had a not-unexpected fairly significant loss in their fiscal year that just ended. Will that have any impact on the pension number that we see on our books, both this year and next year?

Dr Christie: It will have some impact. It won't be as large as might be concerning people, given the newspaper report. The investment returns of the teachers' pension fund, in terms of the way they affect the expense numbers and the revenue numbers, are averaged. The investment performance is averaged over five years, it's smoothed over five years, so that the impact of such an investment performance in one year is smoothed in terms of the actual impact on, say, a deficit or a reduction or a surplus. If there was actually a shortfall created in the pension fund, then that again would be amortized over 12 years under the accounting conventions we have. So these practices would tend to spread out any impact over a very extended period of time, largely because they are so volatile year to year that it would make things unrealistically variable.

Mr Phillips: I noticed there was a \$500-million swing from one year to the next without this volatility, so I'm mildly—what you may regard as rounding errors are fairly large.

Dr Christie: It's certainly the case that that line, that figure—as the investment return comes down and begins to average over a period of time, something more normal for capital markets, those large gains will not be being made and the large benefit that you've observed is not likely to continue. It's not as sustainable.

The Chair: With that, I have to bring the discussion to an end as we've run out of time. On behalf of the committee, thank you very much for your time this morning.

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CANADIAN AUTO WORKERS

The Chair: Our next presentation will be from the Canadian Auto Workers. I would ask the presenters if you could come forward. I realize that you may need some time to set up. If you could, introduce yourselves for the record, and on behalf of the committee, welcome. You have one hour for your presentation. Whenever you're ready, you may start.

Mr Buzz Hargrove: Thank you very much, Mr Chairman. I'm Buzz Hargrove, national president of the Canadian Auto Workers union. With me is the director of policy for the Canadian Auto Workers union, Jim Stanford. He's also an economist.

We appreciate the opportunity to appear before the committee to talk a little bit about the auto industry. The auto industry, I think the committee members will understand, is the most important industry to the economy of Ontario and, one could argue, to the economy of Canada. One in six jobs, by most conservative analysts, in Ontario are directly or indirectly related to the auto industry, and one in seven in the Canadian economy.

We're here because the industry is in a crisis, a crisis that was inevitable, as it always is in industry. Changes take place very rapidly in most industries, but in the auto industry it's even more rapid. We're here, although we know it runs against the grain of the current government of Ontario, to argue that it's going to require government leadership. We've lost some 12,000 jobs in auto assembly and auto parts since our peak in 1999, and we estimate we'll lose at least that amount over the next two to three years if strong government leadership, strong government action, is not taken.

I'd like to take just a few minutes, if I could for the members of the committee, to give a bit of the history of the auto industry in Ontario.

At one time, when the American companies started simply building in the United States and shipping into Canada, the Canadian government saw fit to put tariffs in place and they continued to raise those tariffs to a point where it became almost impossible to sell in Canada if the companies didn't come to Canada and invest. That's how we started getting investment in the auto industry by American corporations. Our industry, as it is today, was always owned outside the borders of Canada—different players today—but it's always been owned, for the most part, by players outside of Canada. The tariffs were there throughout the 1940s, the 1950s and into the 1960s.

The government decided to try to deal with this issue differently. They felt it would benefit the economy of Canada, especially Ontario, but also consumers and especially the companies. They negotiated the 1965 Auto Pact, which I would argue without fear of contradiction is probably the most important and effective trading agreement that's been negotiated in the past century between any two nations in the world.

That led to major investments in Canada and major improvements to the industry. We've doubled the workforce in the auto industry in the 10 to 12 years following the introduction of the Auto Pact in 1965. For example, Ford built its St Thomas assembly plant, 3,000 direct jobs at that time, in 1967. General Motors built a plant in Sainte-Thérèse, Quebec. They took an old refrigerator plant and an electronics plant in Scarborough and changed it into a van plant. They started building vans there, and that lasted from 1968 through to 1993, when General Motors closed it shortly after the free trade agreement with the US was signed.

We had literally hundreds of parts operations that opened up, anywhere from Budd Automotive in Kitchener, which provided 3,000 jobs for several years and are now down to 2,000 and struggling—I had a meeting with them yesterday—to Hayes-Dana, Lear Corp. There is just a host of these companies that came in and situated throughout Ontario—small numbers in Quebec but mainly in Ontario.

Then the world started to change in the late 1970s when we had the oil crisis. The Japanese couldn't sell cars in North America prior to that. All of a sudden, with a fear of oil shortages, people were looking for fuel-efficient, small vehicles. The Japanese had a pile of them and they started capturing the market. That went throughout the 1980s.

Through a lot of government leadership throughout the late 1980s and 1990s, in spite of this Japanese invasion into our market—but not investing in our economy—we still were able to keep the North American or the Big Three automakers investing and putting a lot of new investment, a lot of new jobs, in Canada.

Then in the 1990s, we continued that. We had massive new investments, and our union did an enormous amount of work during this period with the auto companies and with both levels of government throughout the 1980s and early 1990s. Going back we did as well, but I just want to use those as starting points. Because we had the Auto Pact and we forced people to come here and invest, we ended up with the most productive, high-quality and low-cost producer of most vehicles throughout the world.

As just one example, we're the only country in the world that had three assembly plants with three shifts of production. It went back to the mid-1980s, when Chrysler had a huge demand for a minivan that was a new vehicle, a very popular vehicle. They wanted more product out, and they were struggling with whether they should build a second plant in the United States. We took the initiative. We put together a proposal for a third shift of production in Canada, which was rejected by the company. In those days, the management felt that you couldn't have three shifts on an assembly operation, different than a parts plant. It was just too complex. I think members will understand that an assembly plant with in many cases 4,000, 5,000 or 6,000 people is bigger than most communities in the province of Ontario and has a massive challenge to make it operate.

It was a decade later, in 1993, that we were able to, through a strike deadline because of the huge amount of

overtime being worked in our plants, force Chrysler to put a third shift on in the Windsor assembly plant. It was an absolute success from the day it started. The quality and productivity improved, absenteeism improved, and accidents were down. That led Chrysler a few years later to add a third shift in its Bramalea assembly plant, working with our union; then General Motors put a third shift on in their truck plant in Oshawa.

With each one of these changes, when we added these shifts, we had support from the Ontario government and the federal government. There was money put in to assist in the introduction of new technology and in training. There was government leadership. Government recognized the importance of the industry and of these investments, what they meant to communities, to the economy of the province and of the country.

Payroll in the auto industry in Ontario is almost \$9 billion. It's a huge amount of money spent in this economy today because of the work that has been done. We find ourselves now with that in decline, and it's going to seriously decline. Our peak year was 1999. We assembled three million vehicles in Canada, mostly in Ontario, and we sold one and a half million. We were assembling two vehicles for each one we sold. Last year that dropped down to around 2.6 million vehicles. This year that will drop to 2.2 million vehicles, and next year it will even be lower. We'll drop below two million. We're heading almost back to where we were pre-Auto Pact in 1965.

In the last few months we've been notified of a plant closure in Quebec by General Motors, the Sainte-Thérèse plant that was built because of the Auto Pact in 1967. We've now been notified that Ford's going to close its F-150 truck plant in Oakville, and Chrysler, although they haven't announced a closure, tell us they have no product after July 2003 for that plant, which is a nice way of saying the plant's going to be closed.

As I've said already, 12,000 people have lost their jobs in the last two years, and we have at least that many more who are on notice to lose their jobs. We have that in spite of the fact that our market last year was the best market for vehicle sales in Canada in the history of the country. Our major market, as everyone knows, is the United States. They had their second-best year ever. It was off by about 1.4% from the record year of 2000, but still an incredibly healthy case. So you ask yourself, "What is the problem that we face today?"

First, it's imports: imports from Japan, from South Korea and from Mexico. Right-wing newspaper editorial writers like Terence Corcoran will say, "Well, the Japanese have these plants in Canada." I'd just like to take a minute and explain. They have two plants: Toyota and Honda each have a plant. Honda is in Alliston and Toyota is in Cambridge. Combined, they have about 18% of the Canadian market, much more than they have in any other nation in the world, much more than any nation would allow them to have. The Japanese in total are over 25% of our market. These two companies, with 18% of the market, provide about 6,000 direct jobs in those two facilities in Alliston and Cambridge.

Ford has about 18% of the market. Ford has 16,000 direct jobs in its operations in Canada. Even if it closes its assembly plant in Oakville, it will still have 14,500 jobs.

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In the parts producers field out there today, when you talk to the parts people, they will tell you they can't sell to the Japanese. They buy from their own Japanese companies that followed their assembly operations to the US and they ship into Canada or they buy their parts directly from Japan. For every job these two Japanese companies provide in Ontario by buying parts that are produced by Canadian parts makers—maybe American but parts plants that are in Canada—Ford, GM and Chrysler, on average, provide 15 jobs. That's an enormous difference to the economy of Ontario and leads me to always say that the Japanese are major players in our market with their sales but they are minor league players in our economy in terms of their commitment to investment and jobs.

The new players, since NAFTA was signed in 1994—Mexico was always the cheapest place to build automobiles on this continent and will remain that way for the next 50 years regardless of anything that would happen. But companies would never go there to invest because of the political uncertainty and all of the challenges that Mexico faced. But NAFTA legitimized Mexico as a new player in North America.

To show what that has meant, just some quick numbers. There was a study released last week by the external affairs department that looked at Canada and Mexico and where competition in this important industry for investment and jobs was going. It showed that from 1994, when NAFTA was signed, until last year, Canada received \$22 billion in investment; that's both foreign investment and Canadian investment in the auto industry, mainly in Ontario. During that same period, Mexico received \$48 billion and every dollar of it was foreign investment. So they received more than double from offshore producers, and they are now producing, much as we had claimed, more than two vehicles for each one they sell in their country.

Since NAFTA was signed, their market has improved a bit. From a low of around 700,000 vehicles, I believe, they went up probably close to a million vehicles, but they are producing almost two million vehicles and they're shipping them into the United States and Canada. That impacts on what we've always produced. The PT Cruiser is one example that you see. It's a beautiful car and people like it, but it's built in Mexico. Of course, literally hundreds of parts suppliers went into Mexico, have built plants there and are shipping parts into both the US and Canada.

So the industry has changed. Industries always change. This industry is the largest user of computers or robotics of any industry in the world. It's the most dynamic and changing industry in terms of its technology and its requirement for skills and skills training for its workforce and it has always taken government leader-

ship. We've been through a stretch where we had major new investments and we had good demand for our products and governments didn't have to do much. But we're now back to where we were in earlier times where government has choices to make.

I recall when the Ford Motor Co, in the 1970s, was looking at putting an engine plant somewhere in North America. The government of Bill Davis at that time put up \$68 million as part of a package to entice Ford to build that plant in Canada. They eventually made the decision to build it in Windsor and it has provided a lot of good jobs over the years.

The federal government put \$200 million in the Chrysler Pillette Road truck plant that's scheduled to close next year. That plant has provided 2,500 jobs, on average, since 1975. The federal and Quebec government put \$300 million into a GM plant.

If you look at the comparison to US states, they are pumping money in like crazy to attract foreign investment, Japanese investors. South Korea right now is looking at a US location for a new assembly facility and are going around shopping to the states seeing who will put up the best financial package. That's who is going to get this important facility.

We're here today to say to the committee—this is an important committee—people can't look at the success we've had, as we can't as a union. If we don't take leadership as major players at the provincial level—we met with Allan Rock last week and made the case with him—and join with our union and some of the challenges that we face—and the most immediate one is Pillette Road. I read with interest—and I'll quit on this and have my colleague add some of the other statistics to this—Mr Harris went to Stuttgart, Germany. We did not know he was going. He didn't talk to us. I guess he has a right to do that as Premier, but you'd think he would want to talk to our union, which has been so involved and worked so hard to get investments out of DaimlerChrysler, especially the Pillette Road truck plant. We played a key role in Chrysler's announcement two weeks ago that they're going to put the Pacifica, this new vehicle, in the Windsor assembly plant alongside the minivan, which I believe will stabilize that facility.

We're working now. We've got a proposal in front of General Motors in Oshawa that would add a new shift there to get more Impala production out of that facility. We do this ongoing, so I would have thought Mr Harris would have wanted to talk to us about what's the best case for Pillette, but he didn't. I read in the Windsor Star, and quite frankly I was furious, that he was there talking to them about the Sprinter, which isn't going to be built until the 2007 model year. Our plant is closing in July of next year.

But Chrysler has told us they can continue the production of the current van, the commercial van, for another three or four years but it would be a cost of \$430 million. As I said to Mr Rock and I'll say to the committee today, Mr Harris said in Stuttgart, Germany, that he is willing to do whatever it takes to keep those jobs

there. We should be working with the federal government and the union to put together a financial package that will allow Chrysler to restructure this commercial van so it meets the requirements of the environmental regulations in the United States and the new crash test requirements that they have in the United States, which is the main market for this commercial van. We could keep about 1,400 people working through a three- or four-year period until Sprinter production starts, if the decision is made to put it in Pillette. The chances of it being in Pillette are much greater if the plant is running, it's operating, you have a trained workforce and you have the technology there still in use, as opposed to dismantling it.

I will end there with an appeal to the committee that we are not in a situation of business as usual. I listened a little bit to the discussion with Mr Phillips and the other group that was here in terms of revenue. If you look at the closure of the Oakville truck plant, 1,400 people directly, and then you look at the multiplier for that for the parts industry, the amount of revenue that's going to take away from the Ontario economy, both in terms of the payroll for our members and the taxes, and then you add the closure next year of the Pillette Road truck plant and you add all of the parts people that we're out there dealing with today who are really struggling with their ability to survive, there is a leading role for government here.

I'll make the case for management. We need management training. There are a lot of good companies. A.G. Simpson is a good Canadian company. It has a good record and a good history in this province, but they've had management changes and the new management isn't up to speed and we end up in a bankruptcy proceeding. They've closed a couple of plants. They've now got the operations up for sale. But at the end of the day, if we don't have a greater commitment by government to management training in these areas, we're going to lose the parts industry which has provided—Jimmy can tell you better than I can—in the last five or six years about 15,000 new jobs, up until two years ago, and then we started going the other way. So we're on a slippery slope and it needs the input and the support of government if we're going to make this industry stop the bleeding and start to thrive and grow again.

Thank you very much, Mr Chairman and committee members.

Mr. Jim Stanford: I'll just take a few more minutes to run over some of the statistical background for the downturn in the auto industry and its possible impact on Ontario government finances, and also lay out some of our proposals for what the Ontario government could be doing to help to turn things around for the industry.

The relevance of the auto industry's outlook for your committee is obviously twofold. First of all, the state of the industry is going to be crucial to the revenue streams which the provincial government continues to take in from the economy.

I saw the finance minister's Outlook for the economy over the next two years. If you look at the aggregate

numbers on employment and GDP, it seems relatively rosy. He is expecting gradual expansion in GDP. He's arguing employment is back to where it was before the slowdown last year and we're going to see further job growth. There's nothing specific in there about the outlook for the auto industry, which is Ontario's most important industry.

The crisis of the auto industry means that underneath that relatively placid surface that you look at with aggregate numbers on GDP and aggregate employment, you've got a lot of dangerous currents, if you like, underneath the surface. While overall employment might be stable in terms of where it was before the slowdown, the manufacturing sector has shed over 80,000 jobs in Ontario, and you're going to lose more of those jobs in the coming period. Most worrisome, I think, for the provincial government is that those jobs are not going to come back on their own with a recovery and economic growth of 1% or 2% annual growth rates, as the minister is forecasting. We're looking, in the auto sector, at a downturn that is not a cyclical problem. It's a structural problem, and it's going to take more than a recovery in the overall economy to bring those jobs back.

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Of second relevance to your proceedings as a committee, of course, is that some of our proposals for Ontario government action in response to the crisis are obviously going to cost money. We're hoping this is something you can factor into your budgeting decisions. It's not a lot of money, we think, in the grand scheme, and ultimately the provincial government gets more than it gives from a healthy auto industry in the province. But obviously, if the government's going to play a role in turning it around, that role has to be financed.

First of all, what are we looking at in terms of the downturn in the industry? We're looking at a shrinkage in auto assembly of about 30%, almost certainly, comparing the 1999 peak of the industry to where it will be in 2003. We're likely looking at the loss of five assembly shifts out of the 24 that existed before the downturn, with parts production falling in step with the decline in Canadian assembly. Obviously, many parts producers in Ontario are oriented to serving Ontario-based manufacturing assembly operations, although not all of them. Many of them export to the US market, of course, but the US market has experienced a similar downturn in production. Some 12,000 jobs in the auto assembly and auto parts sectors have already disappeared in Ontario since the peak levels of 1999 and 2000, about half in each: 6,000 in assembly, 6,000 in parts. We're looking at a situation where the gains of the 1990s for this industry will be largely wiped out by 2003, which is worrisome when we think of the leading role the auto industry played through the 1990s.

This shows the path for new vehicle assembly in Canada. Again, over 95% of this is in Ontario. You saw in the 1990s an incredible period of growth. Even though the overall economy was in recession in the early part of the decade, that almost didn't affect Ontario's auto

industry, which continued to expand on the strength of new investments that were announced right through the decade, reaching a peak of over three million vehicles assembled. That's come down considerably, to just over 2.5 million last year. It's going to fall again toward the two million mark over the next couple of years, based on what we already know in terms of announced plant closures, layoffs and likely demand conditions for Ontario-made vehicles. That, of course, translates into a decline in employment.

The parts sector, as Buzz mentioned, was a very important source of new high-wage jobs in the manufacturing industry during the 1990s. About 30,000 jobs were created in the parts sector in Ontario that decade. We're looking at a situation where that could fall by about 20,000, compared to peak levels, over the next two years. In the assembly sector, we're looking at more than offsetting the modest gains in employment that were made in the 1990s, with employment falling back down toward 40,000. So we're looking at the loss of 25,000 to 30,000 relatively high-wage jobs, and that, of course, is just the tip of the iceberg, because every one of those jobs is associated with two or three other jobs in the various supply industries that feed into auto.

Mr Phillips: Could I ask you to move that a little bit, the screen? I can't see it from here. Thank you.

Mr Stanford: So as I mentioned, that's just the tip of the iceberg, the 25,000 to 30,000 jobs, compared to 1999, that could be lost from the industry. You have the steel industry, other plastics, rubber industries that feed into the auto sector. Then you have the downstream spinoff spending effects from auto in terms of auto workers and everyone else employed in the broader industry spending their incomes.

What has caused the problem? It is not, I stress again, a cyclical problem that resulted from the general mild macroeconomic weakness that was experienced in North America. Despite that macroeconomic weakness, auto sales remained relatively strong. It's a structural problem that's affecting Canada's industry.

Two key factors: our industry is very dependent on the production and investment decisions of the Big Three automakers, which account for well over three quarters of our total auto industry. The Big Three have experienced a decline in their market share over the last couple of years, continuing a longer-run trend, and that has translated into reduced production in Ontario of about 300,000 units.

At the same time, Ontario's share of the total production of the Big Three—given that their market share is shrinking anyway, but then our share of what is left for them—has also declined because of decisions on the Big Three's part to shift more production to Mexico and to certain US plants, and also to a certain bad luck of the draw. You know that how much we produce in Canada depends on the specific models that are assigned to Canadian plants. Sometimes you luck into a model that's a really hot seller, and as a result your plant is bursting at the seams, as we have with the Impala produced in Oshawa. Sometimes you don't have the same luck, and

some of the vehicle types that are assigned to a Canadian plant, like the minivans, for example, which have been very important traditionally, are under sharp market pressure. That decline in Canada's share of total Big Three production has contributed another 200,000 units to the lost production.

If you're looking for the blame, you've got 60-40 in a way in terms of the downturn that we've already experienced: 60% due to the continuing encroachment of offshore producers, largely from imports but also from their own transplant operations in North America; 40% to decisions by the Big Three to locate more of their production outside of Canada than in it.

Through this period, production at the two offshore-based automakers in Ontario, the Honda and Toyota plants, has remained roughly constant. They have not experienced the same decline. At the same time, though, our share of total transplant production in North America has also declined during that period. Those two plants are there, but there's no sign of any other greenfield plants. The new facilities that are being built by the Toyotas, the Hondas, the Mercedes, the BMWs, the Hyundais are all going into the Deep South of the US—Mississippi, Alabama, South Carolina—or into northern Mexico. This is a reality that we have to face up to. Even if we want to argue that, "Well, this is the Big Three's problem; we'll let them solve it," in fact it's a wider problem. Even among the transplant producers, Canada's share of production and investment is declining because we're not there to offer the same sorts of incentives that the other locations are.

Again, just to show you how dependent we are on the Big Three in our industry, a comparison of the direct employment in Ontario by the Big Three compared to the Toyota and Honda plants—and don't get us wrong. Those are great facilities; we're glad for the investment and we're glad for the jobs that are there. We think those two companies could do more for Canada, given how many vehicles they sell here. We think the dozens of other companies which sell here and have no investments in Canada could do a lot more as well.

The future threats to the industry: we're going to see continued pressure on the Big Three's market share, again partly because of imports and transplants. We'll also see a southward shift of production even by the Big Three within North America, to Mexico, taking advantage of these huge incentives that are offered in the Deep South of the US—incentives from local and state governments which can total more than 50% of the cost of building a facility. They go around and they do the lobbying and they say, "Here we are. We're going to create 2,000 or 3,000 high-paid jobs. What are you prepared to give me?" and they can get back over 50%, consistently, of the cost of their investment from those jurisdictions.

So far in Canada provincially, and federally to a lesser extent, we've been playing kind of the "Scout's honour" approach, that we're not going to get into that. Whether you agree with the underlying economics of that position

or not, the reality is that if we continue along that road of refusing to get involved in negotiating investments with the companies and putting some money on the table, we're going to see more and more of those plants move to the US south and to Mexico.

The traditional kind of right-wing, free market vision is that government should not play a role in trying to build the auto industry, that we should simply get the fundamentals right in terms of our taxes, our labour costs, get inflation down, balance our books, and everything else will take care of itself. I think the current downturn in the industry is really questioning the adequacy of that policy approach to this most important industry.

Look at Ford's decision to close the Ontario truck plant in Oakville. They closed that plant despite an incredible competitive advantage for remaining here, an advantage that came partly from productivity. It was the second most efficient of the five plants that Ford produces the F-series pickup truck in, and those productivity savings are worth US\$150 for every truck that comes off the line, even though the plant only operates on one shift, and it's very difficult to get good productivity numbers when you're only running one shift. They also have a huge labour cost saving from operating in Canada because of the dollar and our medicare system. Our public health care in the auto industry saves the auto assemblers C\$6 for every hour worked. That's the difference in private health insurance premiums in the US compared to the lower levels in Canada, C\$6 for every hour worked. That and the other components of labour cost savings translate into another US\$400 per vehicle. If they located two shifts of production at that plant instead of at the existing plants that they're going to keep operating in the US, that would save them C\$200 million. They've even got a corporate tax saving coming down the pike because of the provincial measures.

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What more could we do? We've bent over backwards, as a union and as a society, to make that a profitable, efficient plant for Ford, yet when they sit in their office in Detroit and make their bottom-line decisions, we can still be out on the street the next day, as long as we leave the entire industry up to the private sector, which is the current approach.

In short, we obviously need to have a competitive industry, but that competitiveness alone won't protect us. We need to have an active auto strategy, one that involves all stakeholders in the industry: the federal government, the provincial government, local governments, the union, the business, the assemblers, the parts producers and the research community. We've got to pull everyone together and take an active look at this industry to see what we can do to promote it, rather than crossing our fingers and hoping that our fundamentals will take care of it.

I don't think I need to explain why the auto industry is so important. Again, the importance of the industry's future goes well beyond just those who are—this is taking care of itself here, isn't it? Come back here, you. I

put it on automatic pilot or something here, did I? There we go. Sorry about that.

We need to have all of those parties together to promote the industry, and the benefits of that strategy will go far beyond just those who work in auto plants. At the Canadian level, auto accounts for 30% of our exports. Over half of our merchandise trade surplus as a nation comes from the auto industry. It's a key source of productivity growth. We know that productivity is a concern for Canada's industry, that we're lagging further and further behind the Americans. The auto industry is one rare example where our productivity exceeds American levels, in part thanks to the strong investment that's been there and the spinoff jobs and so on.

Government has a huge stake in the future health of the industry, provincially and your federal counterparts as well: income taxes paid by auto workers directly to the two levels of government at over \$3 billion a year, sales taxes on new vehicle sales, corporate income tax, tariffs collected by the federal government on offshore imports. Fiscally, we're asking you to put some money into guaranteeing the future of the industry, but governments are going to take away far more than that in revenues if the industry does stay healthy.

We've put forward an auto policy vision that contains four major ideas, and we're taking this vision around now to all the stakeholders in the industry: all levels of government, the industry itself, the research and policy communities and so on. The four thrusts of our vision—we've provided more details in the document that we'll leave you with.

Government's got to play an active role in managing the current downturn, to help ease the pain of the current contraction and also preserve as many jobs and as much capability as we can as we move forward.

But just managing the downturn isn't going to save us in the long run. We've got to be catching a healthy, strong share of the next wave of investment in the industry, and that's where we're especially worried when we see most of the new plants, most of the new models going to the southern US or to Mexico. We've got to position Canada well to catch that investment.

We've got to address the growing trade imbalances that have been a contributing feature. I realize that's primarily a federal responsibility.

We recognize, as a union, that we don't have all the answers, that the industry faces a very complex situation, and we've said that part of what we've got to do is just collectively get our minds around this. We've proposed a ministerial-level task force that would investigate the auto industry's problems.

Let me conclude just by quickly running through some of the proposals we've made that would affect the provincial level of jurisdiction.

In the first category, managing the downturn, we think we have a responsibility to try and ease that downturn but also protect as much of our capacity and capability as we can. The things the Ontario government could do here:

We'd like to see a willingness to look at emergency financial assistance to independent parts producers in

particular. They face an incredible structural financial crunch right now. They've been pushed by the assemblers to invest in new technology, new engineering capabilities and so on as the assemblers outsource more of their operations, but they are financially proving unable to do so. If we sit back and let the A.G. Simpsons and the Budd Canadas and the dozens of other companies that are right on the brink now go under in this downturn, we'll be left with Magna—which is a great success story; believe me, we like Magna's success as well—but we won't be left with much else. This is a long-term structural challenge, and we think the Ontario government has got to play a role there.

Work with assemblers to preserve existing jobs and models where that's possible, and Buzz mentioned the case of the Pillette Road maxi-van plant and the provincial government playing a role there.

We've got to look at restoring some of the legal protections for laid-off workers. This again is a provincial responsibility through labour relations legislation, pensions legislation and other areas, to make sure that when workers are laid off they have a fair chance to collect what's owed them and negotiate decent arrangements.

We've also proposed here the establishment of community adjustment funds, where the provincial government would mandate large employers to pay a certain amount into a community-based fund for every major layoff. That would cover some of the community's costs, help with retraining and job creation and so on.

Positioning Canada for future investments, the second category, is where the crucial future of the industry will be determined. We have been very attractive as an investment site on cost grounds, but there are other factors now working against us: the emergence of Mexico, reaching critical mass, the subsidies paid in the Deep South and so on. We've got to take some proactive measures, and here again we see a role for the Ontario government.

We've proposed that the federal government extend its Technology Partnerships Canada initiative, which has been successful in leveraging new investments in the aerospace and defence and environmental industries, to apply to the auto industry. We've asked them to put in \$500 million per year to help stimulate leading-edge technology in the assembly and parts sectors, and we'd like to see the Ontario government put in half that much—50 cents on the federal dollar—recognizing the large provincial stake. The Technology Partnerships Canada initiative would support, on a case-by-case basis, new investments which either were in technologically sophisticated new products or in technologically leading processes.

Another area where the Ontario government can play a crucial role is in terms of transportation infrastructure. The September 11 crisis and the border problems that sparked and so on I think highlighted for everyone that we in Ontario are still quite vulnerable in terms of our access to the US market. That's led some people to go off in directions, saying we should simply abandon areas of

our sovereignty and immigration and financial and monetary policy and so on. We think there are actually some very sensible things we can do, while remaining an independent country, that will be an insurance policy for our trade with the US, and transportation is one of them.

Clearly the bottlenecks around Highway 401, the link between the 401 and the bridges in Windsor—which is an embarrassment, frankly, for an industrially sophisticated country like ours—and the need for more infrastructure at the border are again something where the federal government and the Ontario government, instead of pointing fingers at each other, which is what has been happening for the most part, could go in on a 50-50 basis and make a real difference.

Some people argue that paying subsidies for investment and so on is a form of corporate welfare. I disagree with that underlying philosophy. Obviously, we're not interested, as a union, in handouts and no-strings-attached boondoggles and so on, but this shows the total value of business subsidies in Canada as a share of our economy, and it's been more than cut in half over the last two decades. Some can say that's a good way for the government to save money, but the flip side of the coin is that when you face an industry in crisis, as the auto industry is, if government isn't there with some money on the table and some leverage and some bargaining tools, government can't do a lot, other than throw up its hands and hope for the best. We'd like to see, at the provincial and federal levels, a more pragmatic approach to trying to capture those future investments.

I'll skip through the trade part, which is primarily a federal responsibility.

Finally, the task force that we proposed on the long-term future of the industry—these proposals we have don't address some of the even bigger structural questions facing the auto industry in the future:

—Environmental issues around global warming and the need for sustainable technology in vehicle transportation.

—Technology changes. Assembly technology now is increasingly flexible, where companies can run four or five models off the same assembly line. That's going to revolutionize the way auto assembly takes place. Is Canada going to have a role there or not?

—Issues about working hours. We've seen this industry have incredible productivity growth over recent years, which has been beneficial economically, but the flip side of that coin is that if you keep working everyone at 50 or 60 hours a week, it means the number of actual jobs you're getting as a result of this valuable industry is shrinking over time.

Those are some of the longer-run problems that I think need to be addressed. We've proposed pulling together all the stakeholders in the industry in a high-profile task force that would draw attention to the crucial moment we face in auto, to the social, economic and fiscal effects of the auto industry, and hopefully develop through interviews and investigations some recommendations that would help to turn the industry around.

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That's kind of our one-two punch on the problem we face in auto. Just to conclude, I'd emphasize how important this sector has been to Ontario's economic and fiscal progress over the last few years, but we can't take it for granted any more. We're in a structural decline that is not going to solve itself unless government gets involved and starts to play an active role.

Thank you all for your attention.

The Chair: That completes your presentation? We have approximately six minutes per caucus. I'll start with the government this time.

Mr O'Toole: Thank you very much, Buzz and Jim. I'd have to concur that it probably is the unsung story of the strength of the Ontario economy. Having worked over 30 years in the auto industry, I completely agree that it's sometimes taken for granted. It is an important part of the infrastructure and the economy, and you're certainly an important part of that and a strong voice that we should hear.

I guess I'll just go through a couple of things. I really do think that the Premier and Minister Runciman, not just in the Algoma case but certainly more recently in the Oakville situation, have been there trying to create the right kind of supports that I believe are in harmony with our government's policy of not overtly subsidizing any sector but allowing them to be more competitive. I think "competitiveness" is a word that's used in other phrases in your own language, because that's really what it's about—you know that as well as I do—whether it's direct or indirect competitive advantage for investment. I think that's really what the minister was saying this morning.

Even if you look at your four main ideas that you've outlined, in that you say "value for investment." Those investment decisions, whether they're under the old rules of NAFTA or the rules of the free trade agreement, it's about being competitive. That competitive advantage is where corporate tax, capital tax and municipal tax all come into being competitive—General Motors uses that in every presentation: the municipal tax is too high, the tax rate—so by reducing those you're actually supporting, competitively, when they make their business plan at Detroit or wherever else they make their investment calculations.

Bottom-line, though, I kind of wish that Sam McLaughlin had retained an interest in General Motors, as opposed to selling it. Really, we all championed that. He was the last Canadian who really had a major stake in the auto decision-making process, but he gave that up some time ago.

I can recall from my days—some time ago, and in a very minor role, I might say. They've been dealing with excess capacity in the auto industry for years. It's a huge issue. There's probably 20% excess capacity in all the capital and all the outputs, and there are going to be some tough decisions. We've got to be in a position to get the investment here. I'd like you, in your response, to acknowledge that. You're a part of that—the cost of

labour—and there's the cost of capital and how you depreciate that capital over time. You know yourself, as well, that these negotiations you go through every three years—there's a little phrase in there called the productivity improvement factor, where basically the payroll stays the same so we're competitive, and fewer people collect it. So you're negotiating productivity improvements for fewer people. I've sat and watched it. I've said, "You're negotiating away jobs." So you've got some decisions to make; I think that's important.

The last one, and I think it's probably going to be the more important longer-term solution: Canadian, and more specifically the Ontario equation—today and yesterday and in the prior editorials I've read, the Kyoto situation is an absolutely paramount decision. Recognizing that the environment is an important element of our quality of life and standard of living, there are a lot of numbers going around on the ultimate impact on the GDP. I think the federal government is ignoring it. I think they're saying, "We're going to sign Kyoto," without knowing the cost to the people of Ontario. That's you and I. Theirs is 0.5% impact on the GDP growth in Canada, and I've read numbers of 2% and 4%. I'd like your response. Yesterday in the paper it said there is going to be a 20% reduction in the number of jobs in auto and steel if they implement Kyoto. So there's a negotiating item that's further out, that we can deal with now—the decision has been made—and how you feel with respect to any future agreement in terms of investment and keeping strong the competitive advantage of that important sector of our economy.

Mr Hargrove: Let me just make a comment and then I'll ask Jim if he wants to add to that.

At the same time General Motors was making all these wonderful presentations and asking for tax cuts, they took 20,000 jobs out of Canada. We had 39,000 people. We now have a little less than 19,000 jobs. So ask yourself: all of these tax cuts you gave them, what did it do? It helped them move the jobs somewhere else, Mr O'Toole.

And negotiating away jobs: how do you explain the growth in the industry that we've had over the last 25 or 30 years? Our industry has grown throughout this whole period. Sure, we negotiate better wages, but we also take a share of the productivity improvements that we play a major role in bringing about in the workplace and we put that into reduced work time, which means we bring people in. We bargain early retirement benefits. I say to people who chase a production line for 30 years, "Get out and enjoy life. Do something in the community, do some volunteer work, and let's bring some young people in." So people leave and new people are in.

As I said earlier, we're the only country in the world that has successfully launched auto assembly operations in both truck and car with three shifts of production. The output at the Windsor assembly plant, at Chrysler, is down by about 20%. We think the Pacifica will bring it full up. But it has over 6,000 people. It's one of the most populated workplaces in the auto industry around the

world for a single plant producing a single product, and it was through our efforts. The only problem is, it took us 10 years and a strike deadline to get Chrysler to agree with it.

On the question of signing the Kyoto agreement on the environment, on global warming, we have been meeting the auto industry and challenging the auto industry and challenging governments about how we take a lead role in this. Instead of saying, "Let's not sign it"—as Ralph Klein is suggesting this morning, we should all quit breathing. Instead of doing that, we should have forced the industry—a carrot-and-stick approach has always been how we've done it. If you look at the history of this industry, it was tariffs and incentives that brought the industry here. We should have been producing the new green engines. We have aluminum in Canada. We have an incredible capacity for aluminum, one of the lightest vehicles available, but it's very expensive. But we haven't done the research and development work to make sure we can make it less expensive, to take the weight out of the car, which cuts down on the fuel consumption. Canada could play a leading role in this area, but we haven't. As long as people will buy the engines that are out there today and there are no rules to stop them from doing it and the companies can pollute, they're not going to make the decisions, as long as they're making the money.

Surely we've learned something from the Enron situation: money drives the system. If you don't have some rules governing it within that—by the way, it drives us too. We're all part of the system. I always say that I much prefer bargaining with companies that are making money to those that are losing money. But we also recognize, as the corporations do—when we're sitting around talking without the microphones or the television cameras, they talk about what drives their decisions. So I'm not sure we should just accept the logic of Ralph Klein that the only solution to global warming is that we all quit breathing. We have to force the corporations to make the changes that are required to make the environment a sustainable environment for our children and our grandchildren long term.

One more point. This idea of competitiveness: we are the most competitive. We have an incredible advantage. Ask yourself, why is Ford closing the Oakville plant? They could make \$200 million a year more in profit. Wall Street is saying, "Get your house in order. Get your excess capacity out and make some money for shareholders." The logical thing would be to move production from a US plant to Canada. They're not doing that. They're moving production from a Canadian plant to where they're going to pay 35% more in labour costs alone and in a less productive environment to produce that vehicle. It's Americans making decisions in the interests of America. I don't have any quarrel with that. The Ontario government should make decisions in the interests of Ontario, as well as the federal government in the interests of Canada.

Softwood lumber: the Americans don't accept that we can ship in, because we're the most competitive. Steel

they don't accept. Now they're challenging our wheat board. The Americans say, "Trade, yes, free trade, yes, as long as it doesn't interfere with our ability in major sectors." We have to quit being the Cub Scouts of trade and start challenging on behalf of our own economies.

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The Chair: Thank you very much. I have to go to the official opposition.

Mr Phillips: I don't think you need to persuade anybody on this committee, of any political party, of the importance of the auto sector. I think we all know it and all of our communities are tremendously impacted by it. It's right at the heart of Ontario. My recollection was that we produce almost as much, if not as much, as Michigan does, and Michigan we think of as being just the auto business. So it's equally important to us.

On one chart you put up there you had the word "patriotism," I think, with a question mark. Particularly after September 11, I do worry that when we are competing and you are competing for plants or business with US plants, this kind of parochialism comes in, that the US companies can use a little bit of the border crossing as an argument. I am a little bit worried that we may see an increase in that as a hidden factor almost, one that's not too public. I wonder if you could comment on that. I take from your chart that at least you think it may be a possibility. If that is a factor, what do we do? I realize you've given us some suggestions today on how we compete for new product here, but what should we be doing to kind of, the best we can, neutralize that trend perhaps in the US?

Mr Hargrove: A big step would be to recognize that nationalism plays a role in investment decisions. We just watched a wonderful winter Olympics, and anybody who doesn't walk away from that and understand that nationalism plays a role in everything missed the main point of the Olympics, from the cheating of the judges in support of their countries to the competitiveness of the athletes.

It's the same thing. In the United States today, rightfully so, there's a mood that America is under attack. Governments, at both the federal level, from the President of the United States down, and the local level are calling on Americans—General Motors' advertisement is, "Let's get America rolling." Let's do that. If you look at Ford's decision and ask yourself, "Why did they close?" they're saying, "We want to share the pain."

Why is Mexico continuing to get these big investments? Their production is going up, their jobs are going up, and the pain is coming to Canada. At one time in the Canada-US context we had the Auto Pact, which guaranteed us a certain amount of investment in jobs and gave us the opportunity to show that Canadians can be more productive and produce better quality than anyone in the world. Those things—the quality, the productivity, the costs—with the Auto Pact gave us an advantage to get investment out of Americans. Today we're in an environment that includes Mexico, which has no rules, no rules at all. You don't have an Auto Pact that says

you've got to come to Canada. The cost advantage is now in Mexico. They can do the quality, because they've got the same investments, the same technology, the same companies that are investing in Canada. They can do all of that in Mexico today. They have all of that advantage that we used to have, and the Americans have the ownership and they have the power of saying to the Japanese and the Koreans and others, "You're not going to ship into our market without major investments into our market." Where does Canada now sit in this with no auto policy?

We're saying we need to recognize this, and the federal government has to take the lead here by saying to players, like the US does, "You have to restrain your imports into our market until you make the investments and create the jobs in Canada." If that doesn't work, then they have to take tougher lines, as Ed Lumley did back in the 1980s. We don't have Toyota and Honda in Ontario because they want to be. Ed Lumley stopped the ships in Vancouver through tightening up the inspection process. The ships were backed up on the dock for miles before the Japanese finally met and said, "Yes, we recognize Canada is different. We always thought that if we invested in the US we were satisfying the Canadian problem." We got two small investments. It's now time to take another step in this direction.

The Chair: You've got a minute left. Mr Ramsay.

Mr David Ramsay (Timiskaming-Cochrane): Thank you both for your presentation. I found it very informative and it helped me better understand this very important industry to Ontario.

Jim, in your presentation you talked about one thing government could do, and that would be some additional investments in infrastructure. You mentioned the Windsor linkage and the 401. The 401, when you're in government, seems to be a big challenge for all of us when we see that the highway has really become the largest auto parts warehouse in this province with the just-in-time system. I was wondering, with that amount of money you're talking about, what specifically could we do to the 401 to assist the industry?

Mr Stanford: I proposed a \$1-billion fund targeted at the export-oriented transportation infrastructure split 50-50 with the federal government. The federal government has already put some money aside in its recent budget for border infrastructure issues. Perhaps we could ride on that coattail a little bit.

What could you do with \$1 billion? That wouldn't solve the whole thing; \$1 billion alone wouldn't pay for widening the 401, which I think is what's ultimately going to be required, from London down to Windsor. A billion dollars would help certainly by redoing some of the worst sections of the 401 there and I'd say most importantly connecting the 401 directly to the US-Canada border. In the wake of September 11 we had a situation where in the first days, of course, the trucks at the border were backed up for hours and hours. Then it settled down and you had 30-to-45-minute-extra waits because of the tightened inspections on the US side.

The trucker can spend at least that much time getting from the end of the 401 to the staging area where they approach the border. There are 15 traffic lights. You actually go down a residential-commercial street in Windsor. It's unsafe and it's unfair to the residents of Windsor that we can't invest in a dedicated infrastructure, given the \$100 billion a year that goes both ways on that little stretch of road. I'd view that as the first priority.

In the longer run, with more funds, then you could look at widening the 401 all the way to London and start talking to the Americans about another bridge in Windsor as well. I know that's been on the table a lot over the years and ultimately that's going to be, I think, required as well.

Mr Christopherson: Thank you, Buzz and Jim, for your presentation. Buzz, you'll be interested to know that, probably before you came in the room, I specifically asked the finance minister whether he was prepared to look at the auto industry and the steel industry, and, Jim, you referenced that. It's in the same kind of structural crisis. Being from Hamilton, of course, we're impacted by both. They're very much linked. When I asked him very directly whether he was prepared to undertake putting together a made-in-Ontario steel strategy and an auto strategy, his answer was that he wasn't going to play favourites, and then went into the rhetoric of all that he's done for business, pretty much mirroring what you suggested is their response. You may want to take a look at Hansard for the exact quote, but basically at this point he's just washing his hands of it and saying he's not going to play favourites. Maybe when I'm finished with another question you can comment on what the implications are if Ontario continues to take a hands-off approach for the next two to five years. What are the implications for communities like Oshawa, Hamilton, Windsor and all those that are affected by steel and auto?

Also, Buzz, on the issue of deregulating and privatizing Hydro, we've heard from John Mayberry. I read the quote into Hansard about the concerns he has regarding Hamilton steel. I'm wondering what your thoughts are on the implications for the auto industry in the coming years if we follow through with the current plans, and what are you perhaps hearing from business officials, without naming names, behind closed doors? You talked about the discussions that you have when the cameras and the microphones aren't there. Can you give us some reflection of what you're hearing from them in terms of the long-term competitiveness of the auto industry?

Mr Hargrove: Thank you, David. I think the auto and steel made-in-Ontario strategy makes a lot of sense. It deserves special treatment, so to speak. These two industries are incredibly important to Ontario and the government did recognize that somewhat in the Algoma situation recently, at least the importance to the north.

Special treatment: I repeat, I've watched the tax cut strategy and if you look at the number of jobs, one would almost think our strategy was to pay General Motors to move jobs out of Canada. You can't say that about Ford

and Chrysler until these recent announcements, but General Motors has reduced its Canadian operations by 20,000 jobs in St Catharines, which Gerry will recognize. We just had over 1,000 people notified of layoff and it's going to have a devastating impact, coupled with the Ford announcement, on the people who live in that general vicinity and work in both of those locations. Jim may want to comment more specifically on the impact it'll have, but one doesn't have to be very smart to realize it's going to have a major impact.

1300

On the deregulation and privatization of Hydro, our assessment has been that this is going to be a disaster, and every company we deal with says the same thing. I've not met one company CEO or manager that's said they support this. I don't know who is driving this, but it certainly is not—and we're not just in the auto industry; we're in the aerospace industry, we're in the hospitality industry in a big way, as you are aware, retail, wholesale, department stores. We represent 150,000 members and we deal with some 1,500 different employers in Ontario, and I haven't found one that is supportive of what the government is doing here or sees it as being something that they even want to gamble on. All of them are saying that they believe this is a mistake and it's going to be costly to them as corporations and to their ability to compete and their jobs. We have a cost advantage today in this area that they say they're going to lose.

Jim, I don't know if you have anything you want to add to that?

Mr Stanford: The implications of doing nothing are certainly, then, to accept this 30% decline in our auto industry, and more or less make it permanent, because if we don't do something, those jobs are not coming back and that production is not coming back. It's not a cyclical issue, it's a structural issue, and it will take some active measures to reverse it.

Mr Christopherson: One last question, to Jim: last year, if you recall, sitting in exactly this room, we talked about where the macro-economy was heading. Right at that time, Nortel was doing its swan dive, just as we were meeting. At that time, there were some of us who said that, given a number of factors out there, this is going to be really serious. There were many economists who were sort of downplaying it.

I loved the alphabet soup. I remember back in my days in the Ministry of Finance and now, as a critic, listening to all these alphabet soups: there's going to be the V, there's the U and now there's some talk that maybe we're into a W. But anyway, at that time, it was going to be the V; we were going to go into a deep downturn, but we were going to come right back out of it. Even you at that time said you didn't agree with some of us who were saying that it was going to get really bad, and you were saying very clearly that you didn't see a recession coming.

We just got the third-quarter results. Whether or not we get a second quarter in a row to give us a technical recession or not, clearly the fact that we even hit one

quarter with those kinds of numbers—September 11 alone is not the issue. It exacerbated things, it accelerated them, but it didn't cause them.

I'm just curious what fundamentals changed in terms of the assumptions that you were making a year ago today, looking forward, that made it a deeper—I won't say "recession" yet, because technically it's not, but certainly a downturn; that it was a lot more severe and that there may be some real questions about when we're pulling out. What changed in terms of the assumptions you were making at that time vis-à-vis fundamentals?

Mr Stanford: Boy, you're making it a risky proposition to come back here a year later if someone's going to remember what I said a year ago. I didn't know that happened around here. Wow.

No, you're right. I was, I think, kind of with the mainstream economists in suggesting that we were looking at a slowdown, not a recession. Technically speaking, we probably were. The indications are that the economy did indeed grow again in the fourth quarter of last year.

Now, whether it's a recession or not doesn't really matter when you're one of the 100,000 people who have lost their jobs. I certainly take the point that it proved to be worse than I thought it was going to be.

The main factors, if you look at the economic statements: first of all, a cutback in business investment, and we obviously see a portion of that—

Mr Christopherson: Why, then?

Mr Stanford: I think it reflects a kind of herd mentality among the private sector. As our economy becomes more and more invested in the private sector—and the private sector now accounts for over 85% of Canada's GDP. That's the highest in our national history because of the downsizing of government, the privatization of functions that were formerly performed in the public sector. The more eggs you put in a private sector basket, the more you are vulnerable to the inherent boom-and-bust herd mentality that you see.

When companies think times are going to be good and things are hunky-dory, they kind of look around at each other and say, "Yes, he feels optimistic, she feels optimistic, I feel optimistic. Let's go for it." Then the mood can swing very quickly. We see it obviously in the stock market, but even in real business as well, where you saw manufacturing companies, which were investing very heavily in 1998-99 and even 2000, suddenly contract. Obviously, it wasn't interest rates that were the problem. Interest rates fell quickly and effectively. It was their perception of where the demand conditions were going.

Also, the inventory adjustment was incredibly fast in this slowdown, more so than in any other slowdown before, where I guess with the just-in-time technology, the information systems, companies could detect immediately that their products were not selling as quickly and cut their inventory. So our inventories in the auto sector are actually lower than average right now, and elsewhere, and that cuts into production very quickly as well.

In terms of the aggregate number, that sort of placid surface of our economic waters, I'm still relatively sanguine. I expect the economy is going to continue to grow in line with where the consensus economists—and maybe that will come back to haunt me next year. But structurally, underneath that, we've got some real problems in some important revenue-generating industries.

The Chair: With that, I have to bring it to an end, gentlemen. On behalf of the committee, thank you very much for your presentation.

This committee is recessed until 2 o'clock this afternoon.

The committee recessed from 1306 to 1402.

The Chair: Good afternoon, everyone. If I can get your attention, we'll bring the committee back to order.

GREATER TORONTO HOME BUILDERS' ASSOCIATION

The Chair: Our first presentation this afternoon is from the Greater Toronto Home Builders' Association. I would invite the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Mr Sheldon Libfeld: My name is Sheldon Libfeld, and I'm president of the Greater Toronto Home Builders' Association. I'm also president of the Conservatory Group, which builds approximately 1,500 housing units annually in the greater Toronto area. With me is the GTHBA's director of government relations, Jim Murphy. You should have copies of our presentation in front of you.

I want to speak to five issues today: the state of the housing industry; the land transfer tax refund for first-time homebuyers; capital tax; labour laws affecting our industry; and last, rental housing.

As you will see in our submission, the housing industry is doing well. Indeed, according to both the Ontario and federal finance ministers, the housing sector alone is keeping Ontario and Canada out of a recession. We have recorded record sales for new homes in each of the last two years. Over the last three years, we have sold and constructed over 100,000 new homes in the greater Toronto area, equivalent to the total number of households in Victoria, British Columbia. The GTA is responsible for 60% of Ontario's new housing starts, and one quarter of the national total. Each new home, according to CMHC, generates three jobs, meaning that our industry, on an annual basis, creates over 130,000 person-years of employment, roughly the total population of Kingston or Thunder Bay.

The land transfer tax refund for first-time buyers of newly constructed homes is a great program. Indeed, it is the only program that we are aware of at the provincial level that promotes home ownership and job creation in the housing sector. Since its inception in 1996, over 100,000 purchasers have benefited from the program. As you can see in our brief on page 3, this current year will see roughly 18,000 refunds, worth \$28 million. These

refunds are immediately reinvested in the local community where the new home is purchased and are immensely helpful to first-time homebuyers who have scratched and clawed to put together their down payment. As you know, in 1999, the refund for first-time buyers was increased to \$2,000 to reflect the higher cost of housing in the GTA and elsewhere in the province.

To promote home ownership and increased fairness, GTHBA is recommending that the limit be eliminated altogether, which would cost \$5 million to \$8 million annually. At the very least, we are recommending an increase in the refund to \$2,500. This would cost \$2.5 million annually. These total costs pale in comparison to what the province generates annually from the land transfer tax. This year, with a strong housing market, Ontario will generate \$600 million from the land transfer tax, meaning that the refund program accounts for less than 5% of the total annual revenues.

Third, GTHBA strongly supports the desire of the government to eliminate capital taxes. These taxes bear no attachment to a company's profitability and are job-killers in asset-intensive industries such as ours. Last year the province increased the exemption threshold on capital tax to \$5 million. We encourage the province to follow through on its promise to eliminate the tax entirely and, at the very least, the threshold should be increased again.

Fourth, I'd like to raise an issue that is not tax-related but could certainly have an effect on the provincial revenues if it is left unattached; namely, legislation governing collective bargaining in the residential construction industry. The government, in late 2000, passed Bill 69, which provided increased certainty to our industry and new homebuyers during labour negotiations. This legislation worked well in last spring's collective bargaining session. As the Minister of Labour reviews the legislation, GTHBA strongly recommends that the 46-day strike window which was included in Bill 69 as a sunset provision be made a permanent feature in any new legislation.

Last, let me speak to rental housing, which is not covered by our brief. We will be submitting a separate brief with the Fair Rental Policy Organization and the Urban Development Institute that speaks to the issue of certainty in rental housing legislation. With the passage of the Rental Housing Protection Act, we have seen an increase in new rental activity. In addition, with low interest rates, we have a window of opportunity to see new private rental investments made. Our industry is working at the federal level for changes to tax policies to promote new rental construction. The province has set up an advisory group, of which we are a member, that is making detailed tax policy recommendations for the rental industry; however, the greatest impediment to new rental investment is the instability of legislation affecting rental accommodation. Our industry, like any other industry, requires investment certainty. The paper that we will forward speaks to doing this by either commercial agreements or some form of insurance. If investors think the policies dictating their investment will change in the

next few years, they will not make rental investment. We're prepared to take the business risk. All we are asking for is what any investor in any other sector of the economy is asking for, namely, certainty on the rules.

Thank you for your time. Jim and I would be pleased to answer any questions.

1410

The Chair: Thank you very much. We have three minutes per caucus, and I'll start with Mr Phillips.

Mr Phillips: One of the very pleasing things in the last few months has been how well the housing market has held up. I don't think any of us, perhaps yourselves included, would have bet that it would have been as strong as it has been over the last few months, and I'm very happy for that.

I'm very interested in rental accommodation, but I gather I should await another presentation. So just on your association, what do you think the natural market is? I remember last year, I think the Ontario Home Builders said that roughly 70,000 units a year need to be built to sustain the growth in the market. The household formation grows 70,000 a year and therefore 70,000 units should be produced, and if you see much more than that, you start to get into an over-supply, much less than that—do you have any sense in your area how many units need to be constructed in a year, and are we now at the stage where we are heading to over-supply or are we still trying to catch up?

Mr Jim Murphy: Our association and a lot of associations have economic outlooks ever year, two or three times, and we have economists come in and always increase their estimates in terms of the housing starts. Everybody I think has been surprised at the strength of the housing market. I think the reasons for that are obviously low interest rates, low mortgage rates, growth in population, particularly in the greater Toronto area, and strong job growth.

Our association just released figures yesterday that show that the new home sales for January were at an all-time record level—some 8,000, I think, across the GTA. I think as long as interest rates remain low and mortgage rates remain low, the market is going to be fairly strong.

One of the things we're seeing within the market is a move-out of rental to first-time buyers. A lot of the market is first-time buyers, and that's why the land transfer tax refund is a very good program. But a lot of people can, on a monthly basis, afford to own now, in terms of what their average rents are. The only issue they have to worry about, obviously, is their down payment, do they have that money for a down payment, which is why the land transfer tax refund was brought in.

Part of the reason there's been a bit of an increase in the vacancy rate in recent media reports is because people are moving into the new home market because it's that affordable. How long will it continue? It's been very strong the last two or three years. We had a pent-up demand from the early 1990s, where starts were very, very low, particularly on the home ownership side, but we are, I think, the second-fastest-growing city in North

America, so there's just a natural demand there. I don't know what Sheldon might want to say in terms of the market individually, because you build both condominium and low-rise.

Mr Libfeld: We're seeing a very strong market and I think it's primarily a result of the low interest rates. I think that's driving people into new homes and into the housing market. In some places, you can virtually buy a house and pay as much as you're paying for rent in some segments of the marketplace.

It's also that there has been, I would think strongly, throughout the 1990s a deficiency in the demand of new homes, given the economic climate we experienced during the 1990s. I think that's a huge correction also.

Mr Christopherson: Thank you very much for your presentation. I have to say, being a natural contrarian, once things start to look like a bubble to me, I sort of start heading the other way. If you take a look around, the housing market has been defying financial gravity for quite some time. I understand the fundamentals that you've outlined, but I have some serious concerns about our ability to hit continuing levels of record, record, record. Normally, that's the indication that something's about to give. That may not happen this time. Certainly, mine is a lone voice. Everybody else is where you are. That's probably got more to do with my character than any kind of real sense of the economy. Nonetheless, that is how I feel.

Let's just for the sake of argument say that does happen, that suddenly the bubble bursts and there isn't a demand. How does it start to roll out? In other words, where do we start to see it first and, if it stays suppressed long enough, how does that last? I guess the last time this would have happened would have been, what, in the early 1990s, when the big drop-off, the big burst happened? How does that happen? When it does, if the good times suddenly ended and the bubble burst, what do we see happening in your industry? How does it unfold?

Mr Libfeld: I think it's all a matter of affordability. I think today we're seeing affordability levels in the housing market where they've never been. That's primarily because of the interest rates. So I think that if we see interest rates starting to climb quickly, we will see a big problem with our industry.

I think also you must know that the real costs of a new home over the last 10 years haven't gone up and, in some segments in this market, they are still not where they left off in 1998. We're still below that price for a new home. So I think we still have a ways to go before we see a change in the market.

The availability of land and how the land is available would help maintain a stable market. If the land was able to be put on to the marketplace more quickly and was available to do the development of these lands, that additional supply would suppress the increase in the prices. So it's very important that we have a continued backlog of land to be able to deal with the issue.

Mr O'Toole: Thank you very much for your presentation today. The minister, in his comments earlier this

morning, was quite animated with respect to the success in the Ontario economy of the housing infrastructure and the builders like yourself. It counts for a great part of the growth in jobs.

If you want to relate that to some of the issues that you've brought before this committee, both today and in previous times, whether it's the land transfer tax—but I'd put to you that it's the interest rate and other factors. It's also having more disposable income for people. Their actual income is being attacked less by the taxman. They actually have more amounts to plan in their budget to have a mortgage payment. That's an important part of it.

I just want to get you to comment with respect to two parts of the tax: the small business tax threshold will be reduced to 4% by 2005, and also the phasing in of reducing the capital tax on the first \$5 million. In what respect does that show up in terms of encouraging the industry, specifically on the capital tax side, to take the risk and have more housing stock out there? Is this part of giving the industry more confidence? It's really an investment incentive to have that capital up there and ready for potential new homebuyers.

Mr Murphy: The short answer would be yes. They're very helpful. In any asset-intensive industry, whether mining, forestry or real estate, a capital tax is just a tax that bears no resemblance to profitability. It's something that has to be paid whether you make a profit or you don't make a profit. We have suggested to the province in every submission I think we've done to the provincial pre-budget consultation process to get rid of capital tax or to increase the threshold. In fact, I think the province, in its first budget, increased it to \$2 million and then increased it to \$5 million and now they're going to phase it out. It will be a benefit to all companies in the industry.

We also have capital taxes, although they don't call it that, at the federal level. The federal government has also been making noises about perhaps revisiting whether they should have capital taxes there.

Mr O'Toole: On the issue of affordability in housing—

The Chair: Mr O'Toole, I have to bring it to an end, as we've run out of time. But gentlemen, on behalf of the committee, thank you very much for your presentation this afternoon.

1420

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO

The Chair: Our next presentation will be from the Elementary Teachers' Federation of Ontario. I would ask the presenters to come forward and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Ms Phyllis Benedict: Good afternoon. My name is Phyllis Benedict. I'm the president of the Elementary Teachers' Federation of Ontario. With me today I have our first vice-president, Emily Noble, and general secretary, Gene Lewis.

The Elementary Teachers' Federation of Ontario represents 65,000 teachers and education workers in the public elementary schools across our province. This is the fifth year that I've come before a pre-budget hearing. I could just come in and say, "Ditto. The record is the same as it was before. The words are the same." However, once again we come before you to try to convince our current government that education is truly underfunded.

If you take into account inflation and enrolment, school boards now have \$2.3 billion less annually to spend on education than when this government came into power. That's over \$1,000 per student. This seriously affects the education that Ontario students receive, and the needs of elementary students are particularly ignored.

School boards now get \$750 more for a secondary student than for an elementary student. Since the student-focused funding formula was introduced, the gap between elementary and secondary funding has increased by almost 30%. There is nothing that can be shown to justify this. All the research shows that when you put the money in at the beginning of a child's education, you will see the payoffs throughout their whole life.

We are releasing our third annual school-based research survey report today. This survey demonstrates the effects these funding cuts have had on our system. A reduction in special education programs is reported by 31% of schools, on top of a 35% cut last year and 12% the year before.

This year, 20% of schools have lost special education teachers. Thirty per cent of our schools report a cut in library programs, on top of 29% of schools reporting cuts last year and 47% the year before, and 16% of our schools have lost teacher-librarians just in this year alone. We have also seen a dramatic cut in design and technology, English as a second language and music programs.

Class sizes remain too high. The board-wide averages mask what is really going on in our schools. Class sizes in grades 1 and 2 have risen dramatically. Ten per cent of schools report class sizes six students higher than the provincial average by grade; for example, 25.6 in junior kindergarten and 26 students in a senior kindergarten class, and it continues through to the end of grade 8. In some of our grade 8 responses we have seen 32.8 students.

There aren't enough textbooks. Not only do we have too many children per class; there are not enough resources, not enough learning materials for our students or our teachers. Over 70% of our schools reported insufficient textbooks for students.

Half of our schools reported spending less on field trips, with 36% reporting cutting back on the number of trips they take with their students outside the classroom. This is a very serious impact on education, for we know that the field trips our students go on bring the curriculum to life and give it real meaning rather than just something the students read about.

The members of the Elementary Teachers' Federation know what is needed in education. We have identified

what works, and we've identified what is needed for our schools and our classrooms.

Let me begin with small class sizes, particularly in the early years. The research in this area could not be clearer. Students in small classes—fewer than 20—in the early grades will then return to regular classes of about 25. We found that those students do measure better on achievement tests. They are likely to stay in school longer. They are less likely to display behaviour problems. They are less likely to repeat a grade or a course. They are less likely to drop out of school, and they are more likely to take advanced-level courses.

No other single education reform can produce results like this. We know that students learn best in small classes. You will find appended in our brief that we do have recommendations regarding class size. The government must start to invest new money to reduce primary classes significantly.

In regard to qualified teachers, teachers, as professionals, know the importance of keeping up with developments in pedagogy, assessment and classroom management. We know that we need professional development to maintain and improve our skills. Specialist teachers provide an important role in our elementary schools. They provide the language instruction, the library programs, the music and art programs, the design and technology programs, the physical education programs, which are all important for the development of Ontario students.

We do recommend that the government scrap the money they're putting into the re-certification program and the entry into the profession test and redirect this money to school boards for professional development programs. We recommend too that this money could be used to hire additional much-needed specialist teachers.

Curriculum and assessment: this government relies on standardized tests rather than on providing an education that responds to the needs of students. Not every student learns in the same way or at the same rate. Ontario's curriculum expectations and assessment methods need to be more flexible to reflect the differing needs of our students. Again, we call upon this government to redirect money away from standardized testing to learning resources for students and for teachers.

In the area of special education, 31% of public elementary schools report that special education programs have been cut this year, on top of cuts in the last two years. This is shameful. These are the highest-needs children that we have. We also know that they exist in school boards where the waiting list is over a year for mere assessment. Again, redirect monies in the right direction. Invest in the delivery of special education programs for those students who require them.

Schools are the hearts of our communities, and yet what we've seen in recent years is that too many of our schools have had to close under the new funding formula. Too many of our students are spending incredibly long periods of time on school buses to go to schools that are away from their home communities. We know that the

school boards have presented over and over again the need to address transportation issues. There must be additional funding in this area, and we must ensure that our small community schools remain open so that they can continue to be the hearts of those communities.

As I mentioned before, we need to provide early years support. Young students need the small classes and a rich variety of resources. They need high-quality programs including full-day, everyday kindergarten.

On accountability: accountability means that everyone in our society needs to take responsibility for ensuring a strong public education system. It does not mean giving more students and teachers more tests. ETFO supports accountability that appropriately addresses the importance of ensuring teacher competence and student achievement, and we're committed to ensuring the best education system that we can provide. We believe there are many ways for the government to show its commitment.

It's very hard for us to accept the rhetoric that the changes that have been made to Ontario's public education system are truly improving the education our students receive. The members of the Elementary Teachers' Federation see the impact of the funding cuts every day in every classroom. The elementary teachers of Ontario do not want to maintain the status quo. That's never been the goal of the ETFO or our members. We want to improve the education system in ways that are meaningful and in ways that benefit our students. We want to see smaller classes. We want to see community schools maintained and textbooks and learning materials available to all our students. We want to see a variety of programs available to students, from special education to English as a second language, music and art.

Our students deserve a well-rounded, balanced education. You don't improve a system by starving it. You improve it by investing in it and ensuring that students and teachers have the tools and resources necessary to do the job. You do it by providing support. I put it before you this afternoon that it's not too late.

The Chair: Thank you very much. We have about two minutes per caucus, and I'll start with Mr Christopherson.

1430

Mr Christopherson: You may know that prior to today's hearings we've already been to Windsor and Sault Ste Marie. In both communities we had representatives from the education field, whether it was trustees, teachers, parents, the public board or the Catholic board, coming in and saying they're on the brink of absolute bankruptcy, crisis—those were words that were used. By the second day, I said to one of the presenters, "If you can get those folks over there," meaning the government backbenchers, "to admit that the problem is funding!"—

Mr O'Toole: Backbenchers?

Mr Christopherson: I know you want it changed after the election for Premier, but for now you're backbenchers.

Interjection: You've been there too.

Mr Christopherson: I'm back even further. But I've been there.

The Chair: It's your time.

Mr Christopherson: That's fine.

I couldn't, nor could any of the presenters, get those members to say there was any kind of funding problem whatsoever. If you can achieve it, then you've really done something well today.

They will talk about Lord knows what. They'll go all over the map. They'll try to blame bureaucracy and process. This morning we had the minister in, Mr Bright Ideas. Everybody's going to come up with bright ideas about how we can serve the children of our society, and the education they need, without funding. At the end of the day, we've got to get the message out that this is about money. The government will argue, "You can't just write a cheque to pay for everything and solve all the problems." Of course the other side of it is that without adequate funding, you won't have the kind of education system that gives us the economy we have. You won't have the health care system. You won't have all the things that make the quality of life that we have.

Perhaps there's something you can add to this debate that will jar one of them over there to acknowledge today that maybe, just maybe, one of the problems is lack of funding.

Ms Benedict: Well, I will do my very best. If you have your pencil ready, I would like to point out some figures that are from the ministry data. It's not dollars we've pulled out of the air or something we came up with to justify our presentation today.

According to ministry data, the funding for school operations and capital has increased from \$13.37 billion in 1995 to \$13.862 billion in 2001-02. However, to maintain the 1995 level of real expenditure per student—and it has to be adjusted for inflation, because we know that has happened—then the total funding would have had to increase to \$16.135 billion. Compared to the actual total spending of \$13.862 billion, this represents an annual shortfall of \$2.273 billion for 2001-02.

If we are going to compare the amount of dollars coming in, we need to take into account the whole environment we are in. Unfortunately, we haven't seen that happen when the current government puts funding into education: the facts alone that transportation costs went through the roof last year, with increased gas prices, and trying to heat the facilities was virtually impossible with the dollars that are given.

Mr O'Toole: I apologize that I wasn't in, but I did catch it on television. I really do appreciate it.

We have heard from the education community in the two prior locations we've been to, and they've made a concerted effort. I think one of the biggest parts was the request for additional funding for special education. I know we certainly hear that in our area, and I'm sure most members do.

I put the question to you: is there anything the government can do to reduce what I've heard to be an

extensive amount of red tape and regulatory stuff with respect to the ISA levels of funding? Is it more flexibility that's needed in the schools? Yesterday, one special education person in Windsor said they spend the first two months of the school year applying for ISA funding, filling out forms and doing all this kind of red tape stuff, and I wouldn't include that.

That being said, can you explain perhaps the anomaly that since ISA funding or special-ed funding was broken into two, the SEPPA and the ISA—it's clear ISA is problematic for some reason; experts, psychologists and all this stuff doing all this work, defining criteria. Yet the actual number of people applying has in excess of doubled. In other words, the number of special education applications is doubling. Is it because there's more money there, if it can be identified? Perhaps you could explain the red tape and the reason why the IPRC is actually doubling.

By way of background, my sister, who has retired in the last couple of years, was a speech and language pathologist. I chaired a SEAC committee when I was a trustee for a couple of terms. It seems like there's a whole new pot of money there. Should there be more flexibility in the classroom or in the school or the board? I'll just give you some time to respond to that.

Ms Benedict: Thank you, Mr O'Toole. In response to the first part about the red tape, I hesitate to bring this up because on a number of occasions I have talked with Minister Ecker and her predecessors about the red tape that schools need to go through to identify a child in order to get funding. While I do support that we need proper identification of children so that we can put the appropriate programs in place for those children, after our discussions she said she had heard that from other teachers in the field and she'd look into it. What happened then was that the red tape increased. There was more paperwork. So I hesitate to bring that up. I don't believe we are really meeting the needs of the kids soon enough.

Also tied to that is the fact that you mentioned identification of children. What we've seen is a reduction in the number of paraprofessionals, if I can use that term for speech pathologists, psychologists, those types of people who used to be employed by school boards who could assist with identification. What we find now is that if parents have the money, they can go to private institutions, have their child identified and cut through the red tape, if you will. Unfortunately, many of our students—most of our students—are not able to do that.

To go to the last part of your question about the number of students who are on the waiting list or applying for it, I wouldn't put words in your mouth, but I think I heard underneath that there was an indication that perhaps the money is there and we're finding kids. We don't have to go looking for special-education-needs kids. They've been in our classrooms for years. What we're finding is that the needs of those children are far greater now than ever before for a variety of reasons, and some of it comes from the cuts to social services. We talk

about early identification in early years. To try to find quality daycare for students that people can afford is virtually impossible, and also to find other kinds of early stimulation types of programs for young mothers with children. There's a multitude of reasons here. So I really don't believe it's because there's any magic pot of money, because we know how hard it is to get to the pot of money.

Mr Phillips: Thank you for the presentation. One of the enormous challenges in this area is that there is so much opportunity to hide behind formulas and jargon and funding formulas—Mr O'Toole's comments were sort of a series of things. I think the public really doesn't quite understand the language you were using around special education. It's not a criticism; it's just that we get into language. My point is that when there's that much confusion, it seems to me the government can essentially do what it wants. I think the challenge for us in the opposition has been that they can hide behind the funding formulas. I think you've got a very solid case, and I think the facts very much support you. But it's a challenge to communicate that to the public, particularly, I might add, because so many of the public now are non-parents or at least they don't have children in the school system.

Has your organization thought about any way that almost an independent body can look at this? Have you ever thought of saying, "Listen, you've heard from our side, you've heard from the government side. Let's get some respected body to take a look at the facts and present them to the public in a way that would be accepted by all sides"?

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Ms Benedict: If I can, I will use the example that actually came from the government initiative, Mr Phillips, about early childhood and how important that is, and the report that Dr Fraser Mustard put forward. I remember being at that press conference. The Premier was there, talking about the importance of young children. We know that within that document were an incredible number of sound recommendations that would make a difference. It didn't come from an independent body, it came from one that was generated by the government itself, yet the will has never been there to take those recommendations and put them into practice. So to go to an outside body—the will has to be where the power lies, and we haven't seen that yet.

Mr Phillips: Good comment.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

INCOME SECURITY LEGAL CLINIC

The Chair: Our next presentation this afternoon is from the Income Security Legal Clinic. I would ask the presenter or presenters to please come forward. Could you state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr John Fraser: My name is John Fraser, and I'm here today with Candice Beale. We're going to be raising

some concerns we have about the inadequate shelter allowance levels for people receiving social assistance in Ontario. I'm going to speak briefly first and then hand it over to Candice to take over from me.

The Income Security Legal Clinic is a test case and law reform legal clinic that works with and on behalf of low-income people in communities across Ontario to address issues of poverty and income security.

Over the past six years, people receiving social assistance in Ontario have seen their meagre housing options virtually disappear. Social housing programs have been scrapped, new landlord-tenant legislation has been enacted which significantly erodes tenant rights, private market rents for vacant units have been deregulated and, most devastatingly, social assistance rates have been cut by almost 22%. For individuals and families relying on social assistance, finding and keeping good, affordable housing is next to impossible.

Under Ontario Works and the Ontario disability support program, financial assistance is provided in two parts: a shelter allowance to cover housing costs and a basic allowance to cover food, clothing and other necessities. Currently, these benefits are completely out of line with real-life costs. Shelter allowances in particular are far removed from the actual housing costs that people pay when they're looking for a place to live.

In the past six years, we've seen rents in many cities across Ontario jump dramatically. In most large urban centres, the increases have been greater—often significantly greater—than inflation. For example, the average monthly rent for a two-bedroom apartment in Toronto, according to Canada Mortgage and Housing Corp statistics, is currently \$1,027 per month, almost 30% higher than it was in 1995. In Ottawa, the average rent is \$914, or 23% higher than in 1995; in Hamilton it is \$740, or 21% higher; and in Kitchener it is \$722 per month, or 17% higher than in 1995.

However, it's really important to realize that these CMHC average rents I'm giving you are calculated using rents for vacant and occupied apartments. Since occupied apartments tend to have significantly lower rents than vacant apartments of the same size, these CMHC average rents actually underestimate significantly the rents that a person looking for housing is actually going to find. Similarly, utilities are often not included when calculating average rents. So basically things are much worse than the CMHC statistics would have us believe.

Unlike these rents that have been jumping over the past five years, the maximum shelter allowance for a single parent with one child receiving Ontario Works has been stuck at a mere \$511 per month since 1995. That's 50% less than the CMHC average rent for a two-bedroom apartment in Toronto, 44% less in Ottawa, 31% less in Hamilton and Windsor, and 29% less than the average rent for a two-bedroom apartment in Kitchener. For a family of two receiving benefits under the Ontario disability support program, the maximum shelter allowance of \$652, while better than \$511, is still far from adequate to cover actual housing costs.

Invariably, people living on social assistance, whether through Ontario Works or the Ontario disability support program, have to pay a huge proportion of their income to cover housing costs. Very little money is left over to pay for groceries, shoes, jackets for kids, bus passes and other necessities. When all income is considered, a single mother with one child receiving Ontario Works could be paying as much as 90% of her income on rent in Toronto, leaving her with less than \$200 for everything else. It's safe to say that no one relying on social assistance in Ontario and living in a market-rent apartment is paying less than 50% of his or her income on rent.

Frequently, people receiving social assistance cannot even access apartments at or below average rent levels. Landlords renting relatively affordable apartments regularly turn away prospective tenants who are in receipt of social assistance. Often the reasons are blatantly discriminatory. Landlords will say, "We don't rent to people on social assistance." In other cases, landlords use illegal minimum income requirements to screen out tenants on social assistance. As a result, these renters are, in many cases, forced into overpriced accommodation because they have no other choices.

Because of inadequate shelter allowance levels, thousands of families in Ontario are forced to effectively choose between paying the rent or feeding their kids. Too often, people cannot maintain the balancing act and fall into homelessness. Families with children represent one of the fastest-growing groups of shelter users in Toronto. In 1999, 6,200 children stayed in Toronto's shelters. These families are forced into shelters for one reason: they cannot find and keep apartments they can afford. It costs almost \$3,000 a month to house a two-person family in one of Toronto's shelters. That would be a very luxurious two-bedroom apartment. So besides being cruel, the current inadequate shelter allowance levels just do not make sense.

Over the past few years, there have been increasing calls for a raise in the shelter allowance levels. Among others, the Federation of Canadian Municipalities, the United Way, the mayor's Homelessness Action Task Force in Toronto, the city of Ottawa and, significantly, the chief coroner's jury looking into the death of Gillian Hadley have all recommended raising the levels.

We urge the government to look at these issues, to consider these issues and raise shelter allowance levels so that they are adequate to cover average rents in Ontario. Specifically, we recommend that the province raise levels so they are in line with the CMHC average rents in different communities across Ontario. It's about time that shelter allowances do what they were supposed to do, what they were intended to do, and actually cover housing costs.

Candice, I'll pass it on to you.

Ms Candice Beale: My name is Candice. I'm a single mother of two children. We live in market housing, meaning we do not receive a rent subsidy, and we receive social assistance.

"Pay the rent or feed the kids?" is a question people have been asking over the last few weeks. That's quite

the dilemma. I'm sure many people feel the situation is being exaggerated, but I assure you that's not the case. Every day hundreds of families have to make that choice.

When I was asked to tell my story, I thought, "Well, at least I can feed my kids. Paying the rent is almost impossible, but my kids are OK." When I thought about it some more, I realized that's not really true—far from it. We run out of things quite often, things like milk, juice or bread. I give the kids vitamins to make up for whatever their diet might lack and then we run out of those too. Sometimes it can be over a week before I can get more. I realize the kids don't get the variety of foods that other kids enjoy. They almost never get their favourite foods. We have to choose foods that have the highest nutritional content and cost the least instead of foods that are interesting or taste good. Other kids I know are allowed to go to the fridge whenever they want to, eat as much as they want and drink juice by the gallon. Not my kids. My kids get carefully planned meals at specific times designed to maximize the nutrition they receive. There are no extra trips to the fridge.

Even with all this care, paying the rent is a monthly challenge. I am late with the rent every month. I used to pride myself on paying the rent on time and in full. That just isn't possible any more, no matter how I rearrange my finances.

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There are no extras left to cut out of my budget. We already have no money left for clothes, entertainment, school fees or transportation. We don't buy anything that isn't food, except soap, shampoo or other cleaning supplies. We can hardly cut those out of my budget.

You, the provincial government, simply don't acknowledge that my rent is \$200 more than my shelter allowance, and I'm lucky enough to pay lower rent than average. Most people who are living in market housing are paying significantly higher rents than I am, over \$200 more. You, the government, don't seem to care that my family and hundreds like mine are only days away from homelessness. My landlord can evict me any time he chooses for paying my rent late every month, and there would be no way for me to fight it.

It's only going to get worse for my family and others like mine as rents rise higher and inflation eats up our food money. I can't understand the reasoning behind denying people an adequate shelter allowance. The cost of keeping a family in a shelter is much higher than independently housing them, and the damage done to these families will ultimately result in higher long-term financial consequences in terms of health care costs, extra supports for school children and family counselling, to name a few. It makes no financial sense.

In addition, families in shelters have to focus all their energy on finding housing. They can't search for a job, volunteer or get involved in their communities. This benefits no one. The threat of homelessness is terrifying. Living under this constant threat causes such high levels of anxiety that some days it's hard to get out of bed, the

fear and depression are so overwhelming. I don't know how much longer my family can hang on.

I don't think people realize how easy it is to become impoverished. Most people are much closer to poverty than they realize. Sometimes it happens overnight when a catastrophe strikes. Sometimes it can take a long time. Maybe you start carrying a balance on the credit card you used to pay in full every month. Maybe you don't pay the phone bill this month and pay twice next month. Pretty soon you're juggling your money and not paying some bills at all. Things that break don't get fixed as quickly as they used to, and you start convincing yourself that the old one will last a little while longer and it's still in good shape, just worn a little around the edges. That's how poverty can start.

What I want people to realize is that this is your safety net too. What will happen to you and your family if you ever have to make use of it? Could your family survive? Could you pay the rent and feed the kids?

You have the right to be secure in times of trouble. It's up to the public to make sure the policies that are put in place to protect everyone are adequate. People need to feel secure in the knowledge that the things they need will be accessible, things like food and shelter. We need to demand that you, the government, provide an adequate shelter allowance that reflects the actual shelter costs people have to pay.

We all deserve to feel safe. People living in poverty contribute to their community like everyone else. If you want our children to take up that torch and contribute as well, they need the solid foundation that secure housing, adequate nutrition and a stable environment provide. We can't provide that foundation if we continue to have to make the choice between paying the rent and feeding the kids.

Finally, please don't tell me that social assistance rates in Ontario are 10% higher than everywhere else. We all know that the cost of living here is higher as well.

Don't tell me about your wonderful programs like Success By 6. What good is a program like that going to do for a child who is homeless? That child needs a home, not a program. I also don't want to hear about the homelessness initiatives, which are basically building shelters. I want you to make it possible for people to stay out of shelters in the first place. I don't want to hear any more of your political rhetoric, and I don't want to hear about any more of your grand schemes to help the poor. I've heard them all before. The reality is that more people are ending up in shelters every year. The measures you've taken so far aren't working.

So here's a radical idea. How about just giving people enough money to pay the rent? Then we can all live in our own homes, feed our kids and get on with the business of being productive citizens. I recommend that the maximum shelter allowance for social assistance be tied to the average rent according to the figures compiled by the Canada Mortgage and Housing Corp. Thank you.

The Chair: Thank you very much. We have one minute per caucus, and I'll start with the government side.

Mr Galt: Just looking at how you calculated average rent, I notice you listed the big centres and not small-town Ontario or some of the other areas where the vacancy rate is pretty high. I think you would find a very different kind of figure if you were going out to some of those. I was just wondering why you picked large centres only to calculate the rental rates.

Mr Fraser: We picked these particular centres to get a certain representativeness across the province. But where you see the most dramatic increases is definitely in the larger centres. I would not say it's necessarily any more affordable in smaller centres. In a smaller centre such as Sault Ste Marie you may not see the dramatic rent increases you will see in Ottawa or Toronto, but you still experience affordability problems. That's why we said that what we need to do in setting shelter allowances is look at what people are paying in those communities and set the shelter allowances accordingly. If there are communities where the rents are significantly lower, then you adjust the shelter allowance accordingly.

Mr Ramsay: Thank you very much for your presentation. I think we all judge societies and governments on how they treat their most vulnerable people. When the report card is done on this government, it's going to get a failing grade for sure. More than that, as you know, the tendency of this government and its representatives, almost on a daily basis, is that they like to pick on poor people and the homeless. What makes me angry is that right now we are going through a phase of rampant corporate theft in North America, whether it be Enron or a very famous Ontario software company owner in Ottawa who has been charged by the securities commission here, and I don't hear anybody in this government saying this is a terrible crime. For some reason in Ontario it's a crime to be poor and a crime to be homeless.

I think it's time that all of us in society understand that we are not doing well, none of us is doing well, if there's any group in society that's not doing well. We've all got to be rolling up our sleeves, all of us around here, and making sure that the most vulnerable people in our society are helped.

I thank you for coming forward today and bringing forward your submission. I say to you that the permanent member of this committee, Gerry Phillips, and all the Liberal caucus will be working very hard on your behalf.

Mr Christopherson: Thank you for your presentation. One minute is not a lot of time to deal with an issue that has as many different pieces and such implications for families. But I note that again we mentioned to this government that the income of the poorest of the poor was cut by 22% in 1995. Certainly if you take a look at what has happened to the well off in this province, the privileged, it's quite the opposite: they have received enormous tax breaks and benefits. The poorest of the poor are left with a 22% cut, and that's going on seven years ago now. In addition, I think we have to add in inflation, and then if you add to that the cost of heat and hydro, you just wonder how much worse it can really

get, how much strain and how much poverty can they push the least fortunate Ontarians into before something gives. You can comment on that, if you will.

I have one specific question. I want to give you an opportunity to tell me what you think about the finance minister's bright idea—he's had this tour going around; it's called "Bright Ideas." His latest bright idea in terms of dealing with homelessness is that he's just going to wave a magic legislative wand and outlaw it. It will be against the law to be homeless, and then, I guess, it will all just disappear. I wonder what your thoughts are on this idea of a would-be Premier who just wants to outlaw homelessness.

Ms Beale: Maybe we all go live at his house, and then there won't be any homelessness. How does he think that's going to work? People are homeless—that's a fact—and unless you give them someplace to live, they will remain homeless. That's not going to change.

Mr Christopherson: Well said.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

GREATER TORONTO HOTEL ASSOCIATION

The Chair: The next presentation will be from the Greater Toronto Hotel Association. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes.

Mr Rod Seiling: My name is Rod Seiling, and I'm President of the Greater Toronto Hotel Association. I want to thank you for the opportunity to appear before you today.

The GTHA represents about 140 hotels in the GTA. Our members generate over 32,000 jobs and represent over \$1.6 billion in GDP. Total tax revenues generated for all levels of government by our members' activities represent about \$579 million annually. As such, we comprise an important component of Ontario's tourism industry, which generates \$13.1 billion in revenue. This represents about \$7.4 billion to the province's GDP, a large percentage of it being "export." Almost one out of every seven businesses provides tourism products and services to visitors. Those businesses support 250,000 direct jobs and another 170,000 indirect jobs province-wide. These jobs represent 9% of Ontario's total employment.

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I want to limit my discussions today to two issues: property tax and destination marketing. I also want to remind you of the double whammy our industry has received as a result of the recession and the events flowing from 9-11.

Property tax: the Assessment Act is quite specific in that it limits assessment and taxation to land and improvements to the land. The act does not contemplate the valuation of tangible personal property, intangibles or business value. Unfortunately, assessors in Ontario

believe that the deduction of a management fee removes the entire business component. This assumption is wrong. Assessors have also argued that hotel cap rates are higher than other cap rates to reflect the business risk and to thus remove the risk. The higher cap rate does remove a portion of the risk, but the problem is that assessors in the past have used the lowest possible cap rates based on a number of unique sales. Hotel cap rates should be 20% to 30% higher than office cap rates.

Assessment policy in the past has focused on equity within the class; that is, if they are all over-assessed, there is no need to change the assessment. This policy captures business value which does not form part of the real property as authorized by the Assessment Act.

Separating out business value can be and is being done. Jurisdictions are now recognizing this fact. There is now available case law that validates this statement.

The industry has submitted a proposal developed by experts in hotel valuation as to how to extract business value from the assessment methodology. It is our understanding that it was validated by an independent ministry study. We urge you to recommend positive action in this area. The continuance of the current assessment methodology has turned it into a form of income tax. As hotel revenues rise, so too does the assessed value. This is totally contrary to the Assessment Act.

We would also like to draw to your attention the abuse by Toronto and other municipalities of the so-called clawback tool. It was introduced as a short-term mitigation measure and is now being used to effectively preclude taxpayers from receiving tax fairness.

We would also like to raise a concern about the upcoming reassessment. The current date for valuation is set for June 30, 2001. The events of September 11, 2001, have had a dramatic impact on hotel values. Hotels, I would suggest, are an anomaly. We ask that some consideration be given in the valuation process as values are forecast to take years to recover.

Finally, we want to support the continuation of the hard caps as set out in Bill 140. The rationale for the hard cap was good public policy at that time, and it still is good public policy for its continuance.

Business property taxes in Toronto are five times those of the surrounding areas. A recent KPMG study ranked Toronto 54th out of 55 major cities in terms of taxes. Only New York City fared worse. With numbers such as these, it is not surprising that we cannot get a major new hotel built in Toronto despite the well-accepted need.

Destination marketing: tourism is not a frill, it is an economic engine. Up to the recession, it was creating jobs faster than any other sector of the economy. Ontario's 100 million visitors in 2000 spent over \$13.1 billion annually.

The good news is that tourism, pre 9-11, was the world's fastest-growing industry and that Canada's market share was growing. The bad news is that Ontario was losing market share in that growth market. If Ontario had held its traditional market share since 1996 to 2001,

it would have received an additional 1.6 million visitors who would have spent another \$1 billion. This would have resulted in another 25,000 new jobs and Ontario would have received approximately another \$150 million in tax revenues.

Quebec and British Columbia, Ontario's two primary competitors for Canadian tourism, experienced increases in market share. The key difference between Ontario and its competitors is not price and is not product; it is destination promotion. Ontario is underperforming. Despite strong economic incentives and a weak Canadian dollar, Ontario tourism continues to drop. Border crossing statistics, for example, are a cause for concern. In 2000, border crossings from the US to Canada were down by 0.4%; entry by auto was down 1.6%; entry by air was up 1.5%. Border crossings in Ontario dropped 3.1%. Border crossings into Quebec were up 3.9% and border crossings into BC were up 1.4%.

Overseas travel to Canada set a record in 2000, increasing by 4.9%. As Canada's major gateway, Ontario benefited by 7.1%. However, that figure is misleading, given that many of the people entered through Pearson International Airport and subsequently left Ontario.

International customers—which are higher-yield—are the targets of most of the industry. Here again, Ontario is losing ground. Since 1998, Quebec grew its share from 12.8% to 13.9%, and BC held its share despite the economic collapse of its major market, Japan. Ontario fell from 50.6% to 48.2%.

Hotel occupancy is a good barometer of tourism. In 2000, occupancy dropped 2.4% to 67.4% from the previous year. While the provincial number is not available yet for 2001, I can tell you it will be down again. In the GTA, which represents a significant portion of the industry, occupancy for 2001 was down over 3% to 67.18%. This ongoing scenario has serious negative impacts on the accommodation industry. Hotel operations and development have significant long-term economic implications, including creating thousands of jobs.

Return on investment had improved, but with the advent of the recession, combined with the impacts of September 11, it has dropped substantially. Creating demand to improve profitability is crucial to making hotels an attractive investment again. This applies to all other business sectors that make up the tourism industry. Otherwise, owners' equity will become more at risk, and with that comes the loss of more jobs and investment.

Toronto's underperformance is a real concern, given its negative impact on other Ontario centres. Greater volume in Toronto drives overflow to other centres. As well, it serves as the benchmark for the industry economically.

Destination marketing is an investment, not a cost. There are numerous studies on various markets that demonstrate the correlation between destination marketing and tourism growth. Insufficient marketing has also been shown to negatively impact tourism. Colorado, for example, decided to cut its advertising budget to zero. That decision contributed to an annual \$2-billion loss in tourism expenditures.

The ability to leverage is now key. Quebec and BC have had substantial marketing programs in effect for a number of years. In Ontario, the Ontario Tourism Marketing Partnership and the government public-private sector partnership are now in the game.

The provincial programs are based on the principle of matching. That is, the local funds that are put up for marketing are then matched by the province and then are used jointly to match with the national Canadian Tourism Commission program. Both Quebec and BC have passed enabling legislation that allows the industry to raise substantial monies. It is those funds that begin the leverage process.

In Ontario, no such mechanism is in place. With no money, our destination marketing organizations can't spend to generate demand. The provincial funds don't have partners, so they cannot lever the national funds that should be going to market Ontario. Quebec and BC are able to get larger shares of the national funding because they take more funds to the bargaining table than does Ontario.

Government resources are available. The government of Ontario has recognized, as have all the other provinces and the federal government, the value of destination marketing. The OTMP has an annual budget of \$34 million; the federal government, through the CTC, has a \$75-million budget on an annual basis.

The challenge for Ontario is to identify a means for a stable source of funding at the local level. It would facilitate the creation of marketing programs that could be levered at both the provincial and national levels. In virtually every instance where such a program has been instituted and the funds not allowed to be utilized for other purposes, tourism demand has been substantially increased. The result is more investment, more jobs and more tax dollars.

We are proposing to address Ontario's loss of market share and to offset the ongoing impacts of 9-11 with the introduction of enabling legislation that would give the industry the option to apply a destination marketing fee on hotel room sales at the request of the local accommodation industry; 100% of the funds raised would be dedicated to destination marketing. We have sought and received legal advice that it is not a tax. It is voluntary for the industry and could only be implemented by a democratic vote. The alternative is for the province to substantially increase its tourism marketing funding via its own tax base. Without more funding to match our competition's ability to fund its respective marketing programs, Ontario will continue to lose more visitors, jobs and tax revenues. As well, owners' equities will also decline.

Everything is in place except a stable funding mechanism at the local level for Ontario to improve its tourism performance. The OTMP has been formed to mirror the CTC; there is increased provincial and federal funding; some \$300 million is targeted by SuperBuild for tourism, sports and culture; and strong partnerships exist among tourism agencies across the province.

A destination marketing fee would boost Ontario's tourism industry and, by extension, its accommodation industry. Our owners support it, as they see it as the only means to increased occupancies, which in turn will generate higher room revenues, thus improving their equity through better returns on investment.

The DMF would also improve Ontario's tourism industry and the 400,000-plus people who depend on it. It will allow the industry to engage in destination marketing on a planned and timely basis, helping to raise awareness of Ontario as a must-see destination and thus encouraging visitors and improving our competitiveness in the global marketplace.

The Chair: Thank you very much. We have approximately three minutes per caucus, and I'll start with the official opposition.

Mr Phillips: On the property tax issue, it's now the—what do they call it now? They took the word "Ontario" out of it.

Mr Seiling: MPAC.

Mr Phillips: Yes. It used to be "Ontario," but I guess there were too many complaints so they changed the name to "Municipal."

Have you approached that body with your concern?

1510

Mr Seiling: We have, and we have argued this case with its predecessors and have gotten nowhere, and I make reference to that in my presentation, that they consider the deduction of the management fee adequate. It's well accepted, it's in the new assessment manual and so on and so forth, but it does not address business value fairly. What happens is that as our revenues increase, so does our property tax. In fact, we have documentation. We created some mythical hotels and looked at what we thought the property tax would be. We did this three years ago. It was by coincidence, but the percentage increase in revenue almost equated out to the percentage rise in assessed value.

Mr Phillips: What does it require? As I listen to you, it sounds to me like, in your opinion, they are contravening the Assessment Act.

Mr Seiling: In essence, they are, yes; they have been for eons. All that's required is that the minister has the power through regulation to make the change.

Mr Phillips: What has the minister told you so far?

Mr Seiling: We are awaiting results. The Chair of this committee actually has a study ongoing, and we're hopeful for something. But we thought we would take the insurance policy of coming to this committee as well.

Interjection.

Mr Phillips: I don't want to get involved in your politics here.

On the destination marketing, one would have speculated, because there has been no increase in hotels and because of the value of the Canadian dollar, that the Toronto hotels would be doing quite well. I'm kind of surprised that we haven't—I realize September 11 has thrown a bit of a damper on things, but I would have thought the future would have been quite optimistic.

Mr Seiling: In absolute terms, we have seen an increase in numbers, up until a certain point, and we're seeing that decrease largely because we've had a very strong convention business, which changes. Last year we had an abnormally poor convention year, where we only had about six or seven city-wides. This year it returns to more traditional levels of 14. That kind of masked the problem that we've had, and our leisure business has been dropping substantially.

The problem I'm trying to convey, because the majority of our business, while it only represents 30% to 40% of total visitors in terms of revenue—international is about 70% of revenue, and 62% of all our visitors now are out-of-country. They don't understand the difference in the dollar. Most Americans think a dollar is a dollar is a dollar, and it's very hard to convey, but as well, virtually every state in the US has identified tourism as a means to grow their economy and they have put tremendous resources into that, and simply we are now being outspent dramatically. The strong business growth we've enjoyed here, up until the past few years, comes as a result of us at one time being competitive in that marketplace. Our destination marketing budgets were competitive. The budget for tourism in Toronto, as we speak, is \$8 million. Discretionary spending is only about \$300,000. You can't do one campaign well, and that's to do the whole year.

Mr Phillips: Is it a problem, Rod, of—

The Chair: Thank you, Mr Phillips. I have to go to Mr Christopherson.

Mr Seiling: It is a problem of funding.

Mr Christopherson: That's exactly where I was planning to pick up anyway. The destination marketing fee—a couple of things. If I understand correctly, when they go to the negotiating table to leverage federal funds without having a larger component from a partnership in Ontario, we're missing out on federal funds that we could otherwise access. Our two major competitors, BC and Quebec, are indeed doing that. This is, in part, why they are doing so well in terms of competing with us.

The other thing, if I'm understanding this correctly, is that it's not a tax legally. I'm not so concerned about whether it's called a tax or not; that would matter a lot to the government, what it's called. What I'm gathering is that it's voluntary. It's a fee that your members would apply, that a hotel would apply to their own bill. Since it's being done internally, within the industry, and there's good competition within the industry, there has to be a piece of this I'm missing. I don't understand why the government wouldn't give you enabling legislation saying, "Fine, if you want to do that, it's your money. You may drive away customers. You have to learn to offset this in a competitive marketplace."

I don't understand. Maybe what I need to know is, first, how much the government regulates these things and to what degree; and second, what political rationale the government is giving for not saying to you, "Yes, go ahead if you want. It's your money, it's your business."

Mr Seiling: First off, the process, the matching, actually starts at the local level. You take the funds at the local level, match them at the provincial and then go to the federal. So if you can't start at the local level, you never get to the provincial or federal. That's why the other two provinces take a disproportionate amount of the federal money. Ontario simply doesn't have the programs to match with the federal program.

On the second part of your question, this is a proposal we're making to the government. We're hoping their ears are open. It is a serious issue. Virtually every competing jurisdiction raises their funds this way, and that's why we are asking for this ability. While we would like to see it come in a grant form—that would be Nirvana—we don't believe that is fiscally responsible or possible.

Mr Christopherson: No, that's why I appreciate—

Mr Seiling: But it's a solution that we've said we need to do ourselves. The owners would prefer not to have to do this. The alternative is to watch the equity decrease more. It's ironic that a number of years ago owners were virtually unanimously opposed to this. Now it has switched around almost 100% the other way. They recognize that the only way they're going to see their business improve and attract more visitors, which will then eventually filter down to improve their equity, is to increase demand.

Mr Christopherson: Why do you need enabling legislation? What's the regulatory restriction?

Mr Seiling: The reason we need enabling legislation is because, if you're going to do something like this, you need to have compliance across the board. You can't have free riders, because you are increasing the costs.

Mr Christopherson: So it's not really enabling; it would be more mandating, wouldn't it?

Mr Seiling: The enabling part is that it allows the industry to make the decision whether they want to do it within a jurisdiction.

Mr Christopherson: But then it becomes mandatory.

Mr Seiling: We don't believe it has to be province-wide. There are areas in the province that don't need it, but there are areas such as Toronto, Niagara Falls and Ottawa, the destinations which are points of entry, where we are at a competitive disadvantage right now because we compete with jurisdictions that have this funding available to them.

Mr Christopherson: Is there any obvious reason why the government would say no?

The Chair: I have to go on the other side now. Mr Hardeman.

Mr Hardeman: Thank you very much, Mr Seiling, for your presentation. I want to go back to Mr Phillips's comment just for a minute about the way that hotels are assessed. As was mentioned, the Chair of the committee is working on a project to try to deal with some of the processes. But as I read your presentation, in fact the hotels are assessed based on their ability to generate revenue in the rooms they rent out. Is that not similar to or exactly the same as you would assess an apartment building, based on the rent that you can generate from it?

Is that also not how a purchaser would look at the hotel if they were buying it, to say, "How much can I afford to pay, based on what kind of a return I can expect from the rooms to pay for it?"

Mr Seiling: No, there are substantial differences. If you own an apartment building or you own commercial space, you're allowed to deduct for vacancies. If you want to give us a system that allows us to deduct for vacant rooms, we'd be very happy to take it. Unfortunately, we don't get that ability.

We are assessed on an income approach. There are three ways you can assess. You can assess on replacement value, sales or income approach. Most jurisdictions assess on income approach. We're not arguing that. All we're saying is that the methodology for assessment has to be tweaked to reflect what the act says. The act says that valuation is supposed to be based on the land and the value of any structure you've got on that land.

The best example I can give you is, if you took two doughnut shops and you put them at the same corners in this city, and you called one Tim Hortons and the other Tim's Doughnuts, we know which one will do better business. If they were hotels, the Tim Hortons location would have substantially higher assessed value because of the income that it generates.

All we're saying is, whether it's management, whether it is the brand, those are tangible or intangible factors that should and can be taken out of the assessed value methodology, and it's being done in other jurisdictions. We're saying, do it here.

The Chair: Mr Hardeman, I have to bring it to an end as we've run out of time. You're right on the minute. On behalf of the committee, thank you very much for your presentation this afternoon.

Mr Seiling: Thank you for the time.

1520

ONTARIO PUBLIC SCHOOL BOARDS' ASSOCIATION

The Vice-Chair: Our next delegation is the Ontario Public School Boards' Association. Twenty minutes have been set aside for your presentation. What is not used in your natural presentation will be divided between the three caucuses afterwards. Please, as you begin, state your names for Hansard.

Ms Gerri Gershon: My name is Gerri Gershon. I'm vice-president of the Ontario Public School Boards' Association. With me today are Rick Johnson, who is second vice-president of our association, and Carla Kisko, who is the superintendent of business for the Halton District School Board.

Thank you for inviting us to speak this afternoon. We have distributed our pre-budget paper to you to read. As time is sensitive, we will be referring to it but not reading from it.

The Ontario Public School Boards' Association represents the interests of more than 1.5 million elementary and secondary students, public district school boards and

school authorities from across Ontario. Our job is to provide every individual with equal access to educational opportunities regardless of gender, race, religion, ethnicity, ability and place of residence, in English or in French.

It has been five years since the province revised the education funding formula and it has been a tumultuous five years. We are here to tell you that the dollars in the formula are quite simply inadequate, and why.

The benchmarks in the funding formula, which determine the per pupil amount in each category, are based on costs determined in 1997. It is now 2002, five years later. Much has changed. The funding benchmarks must be adjusted to cover the current costs.

In an unprecedented move, directors of education from all 72 district school boards—public, Catholic, French and English—have written to the Minister of Education expressing their concern at the severity of the funding situation. We have worked co-operatively with our senior staff, both directors and superintendents, to quantify some of the funding shortfalls which we will present to you today.

Our analysis is based on the exact figures that the district school boards are required to submit to the Ministry of Education when reporting their budgeting and spending practices. We compared the actual 2002 costs of running the system versus the 1997 costs, on which the funding benchmarks are based. The result: a conservative \$1.1-billion shortfall in key operating areas. This funding shortfall is for all publicly funded school boards: public, Catholic, French and English.

In addition, there is a \$1.4-billion annual backlog in renovation repairs of existing schools. This figure was identified by education minister Janet Ecker in a report to caucus in August 2001, where she reported a shortfall in this area of \$6.8 billion over the next five years. In total, the real shortfall is approximately \$2.5 billion per year.

The OPSBA paper we distributed details how the \$1.1-billion shortfall is broken down. We encourage you to take time to read the document in its entirety as it will impact every school in the province. In the interests of time, I will present some highlights for you here.

Human resources: not surprisingly, in a labour-intensive knowledge industry like education, a school system's greatest investment is in its human resources. Presently, we predict a shortfall of \$589 million in this area. If this issue is not adequately addressed, our new, highly trained teachers will continue to accept positions in the United States and abroad, where they can attain signing bonuses, interest-free mortgages, cars and other incentives.

Technology: I personally continue to be astounded at the pace of technological change. Using five-year-old benchmarks to fund technologies in our schools is a significant problem. The level of funding for technology is woefully inadequate for the province that should be on the leading edge of using classroom technology to improve student learning. In order to keep equipment up to date and provide adequate services, our analysis demon-

strates that an additional \$200 million is required in this area.

Textbooks and learning material: we calculate a funding shortfall of \$50 million for textbooks and learning materials. The new curriculum has placed a greater demand on boards for new textbooks, yet the grant in this area was reduced by 50% in 2001-02. As a result, boards are becoming dependent on local fundraising for core classroom materials.

Transportation: transportation is another area of chronic underfunding. While boards appreciate the funding top-ups received the last two years, we are still no closer to a workable transportation funding model. The initial budget estimates for 2001-02 showed 62 of the 72 boards with a total transportation deficit of \$57.3 million. This shortfall merely addresses increased 2002 fuel costs and aging bus fleets. It does not begin to address service improvements.

Special education: funding has been a continuing challenge for district school boards. Our analysis demonstrates that \$84 million has been diverted from other programs to address underfunding in special education. This figure only addresses current spending and does not allow boards to replace programs or services that have already been cut, nor does it allow for improved services.

Professional development: with appropriate professional development, the full implementation of new program initiatives will not reach its maximum potential. New curriculum, coupled with additional initiatives such as safe school requirements and revised performance appraisal procedures, needs financial support for staff professional development if their successful implementation is to be realized. Our analysis estimates that an additional \$70.5 million is required in professional development.

There are other pressures on school board budgets as well which we have laid out in our document. Declining enrolment, for example, will be a significant problem in education funding because grants are generated by student enrolment. Whether a class has 15 students or 25 students, most costs are fixed. That is to say, you need a teacher, a classroom, a bus to get there, heat to keep the kids warm etc.

The truth of the matter is that we are in a downward spiral. In the first year of the funding model—I think we've got a chart to show you—12 of the 32 public district school boards had operating surpluses and only three had deficits. By the end of last year, 11 public district school boards were in a deficit and only two had surpluses. We estimate that by the end of the current budget year at least half of the public district school boards will be in a deficit.

Our only source of revenue is the provincial government. We are very concerned that the grants this year will not be sufficient to meet contractual or legal obligations.

Not only are the boards legally required to balance our budgets, there are legal obligations regarding class size, workload requirements, special education, Labour Relations Act requirements, Employment Standards Act

requirements, pay equity, occupational and safety requirements, building code requirements and federal statutory obligations, and that's only a partial list.

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The school boards' question to the provincial government is quickly becoming, "Which law would you like us to break?" I repeat, we calculate the shortfall between school board revenue and legitimate expenditures to be a conservative \$1.1 billion annually for all provincial district school boards. At this point, a funding cut, stable funding or a freeze, whatever you want to call it, or even a minimal increase in per pupil revenue is unworkable. If the provincial government fails to provide a significant cash infusion for public education, public district school boards will clearly be faced with a choice between gutting student programs or running a deficit. Running a deficit is illegal, but there is no place left to cut that won't damage the quality of education offered. Ontario students will be in significantly underfunded schools, with minimum optional programs and insufficient staff support. Funding education at 1997 costs is impossible; 1997 dollars simply won't buy 2002 goods, services or student programs.

The Ministry of Education's business plan states that its vision is to offer Ontario students the best education in Canada and that Ontario students will have access to top-quality education. We cannot be clear enough: unless significant investment is made in Ontario's public school system, the ministry's vision will not be met. Thank you.

The Vice-Chair: Thank you very much. We have approximately two minutes per caucus, beginning with the NDP.

Mr Christopherson: Thank you for your presentation. I guess if the government has been successful at anything, it's been the implementation of the Snobelen doctrine. They wanted to create a crisis to justify the changes and goodness knows they've sure created one heck of a crisis.

I've said it a lot and I'll say it again: good luck talking to the government backbenchers. They're not going to acknowledge that funding is a problem at all. I don't know where they'll go this time with their discussions with you, but I can all but guarantee you it won't be a pointed debate about whether or not you need the funding. It'll be something either off the point or a little obscure: process, paperwork, bureaucracy. It'll be something but it won't be the issue of funding.

We heard in Windsor and in Sault Ste Marie terms like "bankruptcy." You're talking about the fact that you're faced with a choice of breaking the law. You said you're going to have to run a deficit, not meet the obligation that you have—there was a third one. You had three choices.

Ms Gershon: Gut programs.

Mr Christopherson: Cut programs. That was it.

Ms Gershon: Not cut programs, gut programs.

Mr Christopherson: Gut programs, yes.

The Vice-Chair: You're running out of time. Put the question.

Mr Christopherson: I will.

In Hamilton we're facing exactly the same situation you've outlined here. I want to focus on special needs just for a bit because everybody has talked about that a lot. It would seem that if we take at face value what we're getting at these hearings, if we don't do something about special education, we've got a whole generation of young people who are not going to get the education they deserve, specifically those children who need assistance, but also the other children who are impacted in the classroom. That's the other point that's being hammered by the teachers, that this isn't just about those kids alone, and we're talking somewhere around 18% by some estimates, but it's the entire classroom. There are not enough supports to deal with a lot of behavioural problems and other things and it's disrupting classrooms and none of the children are learning to the same degree. Is that accurate or do you think that's a little over the top?

The Vice-Chair: You have about 15 seconds to respond. He's used two and a half minutes of his two minutes.

Ms Gershon: It's true that in many instances we're not able to meet the needs of the kids, but we are also borrowing from other budgets to try to provide it.

The Vice-Chair: Thank you very much. We'll move on to the government side.

Mr Hardeman: Thank you very much for your presentation. Contrary to the members across the aisle, we are going to talk about funding; at least, I'm going to ask about the funding.

I have here a document that was prepared by the legislative research people to talk about education funding. When I look at it, I see funding has gone up each and every year. I'm not trying to make a case that there is sufficient funding; I'm just making a case that each year it's gone up. When we look at the chart as to what is happening at the school boards, we seem to be going the wrong way in needs. What has been done in the meantime to deal with trying to match the two, trying to say, "This is how much money we've got; this is the type and amount of education we can provide for the money that's available"?

Not only has the individual grant gone up each year, we also have here a listing of all the special grants for students. There was one here for technology. There's a special grant that's just for that purpose and it's considerably higher than the amount of money that's suggested in your presentation for technology. I realize that money can be moved from one envelope to the other and I'm sure that's what's happened but, in total, when we put the whole package together, per student funding—not global funding—for in-the-classroom spending has gone up each and every year since this funding formula has gone into place. What hasn't gone up, of course, is the administrative funding. Have we been able to get the money into the classrooms that we need to get into the classrooms and not use it for other purposes?

Ms Gershon: I'm going to ask Carla Kisko to answer.

Ms Carla Kisko: You're speaking of funding increasing over the last five years, and there's no question

it has, because you have per pupil funding in place. I want to recognize that per pupil funding means you're paying for the additional enrolment. Provincially, Enrolment has gone up by 4% over that same period of time.

Mr Hardeman: Mine wasn't on the total enrolment; it was based on per student.

Interjections.

Ms Kisko: Yes. Per student, though—can I continue with this, Mr Chair?

The Vice-Chair: Yes, 15 seconds.

Ms Kisko: I think a good contrast is that we have \$97 per student and we're having to put in place programs and services in 2002. Inflation has grown at the rate of 8.4%. There are two components where there have been increases in funding to education. The 1.95% addressed some of the salary and wage indicators in the foundation grant, and there was a \$100-per-pupil amount that was provided for local priorities last year. Those are the only two adjustments that were made to funding and that represents, in total, about 3.6%, compared to inflation of 8.4%. So that chart is showing the truth in terms of the financial reality of school boards. We're going the wrong way.

Mr Phillips: I have just a comment and then a question. I really believe that we don't look at education finances properly any longer. The province sets the property tax and they set it alone. I am strongly of the opinion that that revenue should be shown on the province's books—they have 100% responsibility for it—and total education should be on the province's books. You don't set the tax rate; nobody sets it but the province.

The minister said this morning that they've reduced education property taxes by over \$1 billion, and I see the document he prepared for us shows property tax revenue actually going up, not going down. It's \$5.707 billion, and last year it was \$5.7 billion. It's up \$300 million. Until we get on our books the real spending, we're all going to be dealing with fog on this thing.

I also believe, by the way, that school capital should be on the province's books. They gave us an answer today that the school boards now have another \$1.6 billion of debt that they didn't have two years ago. In my opinion, you've got no source of revenue. It's all the provincial revenue. It's a shell game. It's hiding debt on your books.

The legislative library did prepare some good material for us that you should get showing there is quite a substantial shortfall in spending when you take into account enrolment increases and inflation, and that's essentially what you're saying to us today. How serious is this comment you make, "Which law do you think we should break?"

Ms Gershon: I think it's very serious. I don't think duly elected trustees want to break any laws, nor do we want to gut the programs for our kids. The question is, are we going to be able to meet our contractual obligations with our staff, are we going to be able to provide the special ed support that is needed for our kids, are we going to be able to have safe buildings and safe trans-

portation systems? These are very costly issues that we have to fight with constantly.

The Vice-Chair: Thank you very much for your presentation. We appreciate your coming before the committee.

1540

ONTARIO COALITION FOR BETTER CHILD CARE

The Vice-Chair: Our next delegation is the Ontario Coalition for Better Child Care. There has been 20 minutes set aside for you. After your presentation, whatever is left will be divided between the three caucuses. Please, for Hansard, state your name as you begin.

Ms Mary-Anne Bédard: I'd like to thank the Chair and the committee for allowing me to present to you this morning. I'm Mary-Anne Bédard, the executive director of the Ontario Coalition for Better Child Care.

Child care has experienced a surge of international attention in recent years. Policy-makers around the world are recognizing that access to quality early childhood education and care can strengthen the foundations of lifelong learning. The term ECEC, early childhood education and care, refers to both the care component and the education component, and that is what I'd like to talk about today.

Considerable research now supports the view that if they are of high quality, ECEC services can meet a multitude of goals simultaneously. They can support and enhance a child's well-being, development and lifelong learning; they can support parents in education, training and employment, socially and personally; they can foster social solidarity and social cohesion; and they can provide equity for diverse groups in society.

Last year, a comprehensive 12-nation study came out, prepared by the influential OECD, the Organization for Economic Co-operation and Development—not the usual organization to bring out a study about early childhood education and care. But this economic organization, well respected worldwide, has recognized that early childhood education is an essential component in our economy today. They have identified eight key elements of public policy that need to be in place for early childhood education and care.

I'd like to spend my time today looking forward to where Ontario needs to be and I'd like to use these policy elements to examine what we have today.

The first element is a systemic and integrated approach to public policy development and implementation. In Ontario, the delivery of early childhood education and care is highly fragmented. Early childhood education, kindergarten, child care and family support services are all scattered across different government departments and programs. On any given day, young children and their families may participate in several of these programs and there is little coordination or integration among them.

The second element is strong and equal partnership with education. In Ontario, we do not have systems in

place that blend these two functions. In fact, in the latter half of the 1990s, the relationship between child care and public education had become increasingly strained. A number of steps have been taken by the present Ontario government and have directly contributed to this situation.

The third step needed is a universal approach to access, with particular attention for children in need of special support. In Ontario there are almost two million children between the ages of zero and 12, of whom close to 70% have mothers in the paid workforce. At the same time, there are only 167,000 regulated child care spaces. This means there is space for less than 12% of the children who need care. This percentage worsens considerably when you're looking at infants, school-aged children, children who live in rural communities and children who have special needs.

Unlike health care, schools, police, emergency and ambulance, child care has never been considered an essential public service. Each child care centre is privately administered, usually by a non-profit board of directors, and at the provincial level, there is nobody responsible for ensuring that anyone's early childhood education needs are met.

The fourth policy framework is substantial public investment in services. In Ontario, we have declining levels of public investment that have seriously affected the accessibility of quality services. The Ontario government maintains that it's spending more for child care than any previous government. That is not true. An analysis of provincial allocations for regulated child care shows a reduction of almost \$100 million, and this comes from the government's own policy papers. The annual child care expenditure has dropped by 15% as of 1998, which is the most recent number we can get hold of.

Child care is a fee-for-service system, and most parents cannot afford the fee. According to our calculations, an average Ontario parent will pay \$10,000 a year for care for an infant, \$6,000 a year for a preschooler and \$4,000 for a school-age child.

The fifth step is a participatory approach to quality improvement and insurance. In Ontario, we have the Day Nurseries Act, which governs the quality of care in our licensed and regulated system. It is provincially enforced. However, the government has continually examined ways of lowering these standards as a way to manage and put in efficiencies and cost-cutting. This is very worrying for us. In 1996, then-Minister of Community and Social Services Janet Ecker came out with a report ironically entitled *Improving Ontario's Child Care System*. She made many recommendations about diluting the Day Nurseries Act. In fact, many of them are in place today.

The sixth step is appropriate training and working conditions for staff. A 2000 national study confirmed what we all know: that child care workers are among the lowest paid in the province. There is a huge shortage of qualified staff, as fewer and fewer people are entering the field. Those who do enter the field use it as a stepping stone to more lucrative careers in education. Wage grants

were implemented in 1987 as a way to address soaring parent fees and low child care wages, and those are constantly under threat.

The seventh step is systematic attention to monitoring and data collection. In Ontario, there is no data collection. The most recent statistics we were able to get our hands on are from 1998. Nothing is available since then.

The final element is a stable framework and long-term agenda for research. In Ontario in the past few years, the government itself has conducted, publicized and then ignored study after study after study. There was the much-touted Early Years Study. There was the Education Improvement Commission, which called on the province to strengthen its commitment to Ontario's children by ensuring their access to affordable, high-quality child care. Despite public support, none of these studies have been implemented.

What is the context? Early childhood education and care is a public good. The elements outlined in the OECD report illustrate how these services can make a significant contribution to children's development and support for families. It takes a village to raise a child. We've heard that often enough, but what exactly does it mean? It means ensuring healthy, supportive communities that participate collectively in supporting children. It requires considerable support from government.

Early childhood education and care has the potential to be the core element in social development. The National Council of Welfare called child care the backbone of support to families. UNICEF explained that nearsighted leaders understand that money spent now on early childhood education won't pay off for many years to come, and that is why they continue to refuse to invest. The National Forum on Health has pointed out that a comprehensive child care package would be a key component for population health. The National Crime Prevention Council has identified child care services as the best way of preventing crime at a community level. We are continually finding different arguments to hang the hat on, but we continue to get refusal from government to implement anything.

Under Canadian constitutional agreements, you, the provincial government, are responsible for early childhood education and care services, but you downloaded responsibility for child care to municipalities. Following in the federal government's footsteps, you downloaded the responsibility and you did not download adequate funding or mechanisms for municipalities to handle the responsibility.

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The band-aid solutions are failing, local inequities are growing, the cracks are widening and parents are slipping through at an alarming rate.

We have eight objectives for the future that I would like you to consider when looking at your budget this year.

Ontario must adopt a systematic and integrated approach to early childhood education and care. We must

move away from the targeted subsidy-based system to a publicly funded system.

Ontario must develop a system of early childhood education and care that is based on the best available knowledge and is integrated between the Ministry of Community and Social Services and the education ministry.

Ontario must develop a multiyear plan that reflects the goal of universal access and moves toward an expanded system that meets the needs of every child.

Ontario must set a goal to match that of the European Union, spending 1% of GDP on early childhood education and care services. The first step would be for Ontario to immediately reinstate the money it has cut since 1995.

Ontario must strengthen its legislative and regulatory role and ensure that best practices in early childhood education become the norm.

Ontario must immediately restore funding for pay equity for early childhood education teachers.

Ontario must create a plan for monitoring, collecting and providing up-to-date and reliable information so that we know the quality of care that is available for families in Ontario.

Finally, Ontario must remain at the forefront of new research, not only in collecting it but in implementing it.

It is time for Ontario to move forward into the modern era, in which most governments in modern nations now recognize early childhood education and care as a priority. Thank you.

The Chair: Thank you very much. We have two minutes per caucus, and I will start with the government side.

Mr Hardeman: Thank you very much for your presentation. In the last couple of days, we have had a number of presentations from early childhood educators. Continually we get the numbers that, in fact, funding and money from the government has gone down for daycare over the last number of years. I guess one of us needs to check with our research. Either we have to tell the Provincial Auditor he's off the mark or we have to find out where these other figures are coming from, because my numbers, which have gone through the Provincial Auditor, show that spending has gone up considerably each and every year from 1990-91 to the year 2000-01. Basing 1990-91 on 100, in 2000-01, it's 145. So it has gone up 45%. That's for the direct child care funding the province puts in. When you put it together with the direct and indirect funding, in fact, from 1997-98, it was \$549.7 million to \$722 million over those five years.

I'm not trying to find fault. I'm having trouble trying to adjust. When we say, "Put the money back," are we suggesting that we need to take \$200 million out so we'll have the same funding? I'm sure that's not what you're suggesting, but I think it's important that if we want to go back to the same base, that's where we would end up.

Ms Bédard: According to the Ministry of Community and Social Services' own numbers, in 1995 we were getting \$520 million spent on child care. According to the Ministry of Community and Social Services' leaked

report in November, you are now spending \$470 million on child care. Those are your own numbers. I'm happy to show you those reports. The difference is that you now include in the overall child care budget things that are not child care: \$200 million for the child care supplement for working families, which is federal money clawed back from welfare recipients; it is not money spent on regulated child care. The reductions in funding I'm talking about are money spent on regulated child care.

You have to be really clear on this, because the government does continue to say they spend more on child care than any other government. They are not spending money on child care; they are spending it on other benefits for families, which are good benefits but are not child care.

In 1995, you were spending \$520 million; you are now spending \$470 million.

Mr Phillips: I want to follow up on the same point, because it is an important debate and we have heard, as you can see, the government members saying that we spend more money. I gather Mr Hardeman has a document there that shows the spending.

The Chair: It has already been circulated.

Mr Hardeman: You have it too, Gerry.

Mr Phillips: Good. That's very helpful. I gather your background document—have you any more than what you have in this document here?

Ms Bédard: Yes, I do. I have the government's leaked report from November, which clearly states all the areas that they invest in and says that they are spending \$470 million on child care. I also have documents provided by the Ministry of Community and Social Services in 1998, the last time we were able to collect data, which shows them spending \$520 million. So it definitely has gone down.

Mr Phillips: It would be very helpful for all committee members if we could get that, because I gather the government members feel that there is a need for spending on it and I think they felt the money was already being spent, but you're suggesting that's not the case. I think, Mr Chair, that would be very helpful if we can get that from the delegation.

The Chair: If you would provide them to the clerk, she can photocopy them.

Ms Bédard: I will do that.

Ms Marilyn Churley (Toronto-Danforth): Thank you for your presentation. I admire your patience. I know you have come before this committee time and time again since 1995, telling the same story, and it gets worse. But I believe Mr Hardeman deserves a gold in his gymnastic performance there in trying to explain why he thinks the government is spending more money. They've been saying that in the Legislature, much to our frustration. Ms Martel, who is our critic in this area—quite often in question period we don't get to come back and say, "But wait a minute. Your numbers are wrong." It's very important that the government members understand that every time you say that, you're avoiding the real issue, and the fact is that the funding has gone down

instead of up. I believe the waiting list in Toronto is—how many?

Ms Bédard: It is 17,000.

Ms Churley: It is 17,000 and going up, just in the city of Toronto, and it's getting worse and worse. We have to accept that reality.

I wanted to ask you quickly about the Quebec program, which is working so well. They have a waiting list and can hardly keep up with it. Are you proposing that we go in that direction here?

Ms Bédard: Quebec is absolutely the most progressive province in Canada in how they have chosen to address child care issues. The biggest problem they have in Quebec is the demand. They can't create child care spaces fast enough, because when you give parents the choice to put their child in quality early childhood education programs, they jump at it. It doesn't matter if they're employed or if they're at home. It's recognized as something that's important for the child, for the development of the child, not for whatever the parent is doing. These are valuable years that we need to maximize, and putting your child in early childhood education is the way to go.

I think Ontario could follow Quebec and almost every progressive nation. Twelve nations in the OECD report had all recognized that publicly funded, accessible child care was the way to go, socially and economically. So, yes, I would support that.

Ms Churley: We would save a lot more money, leaving aside the social implications. Just economically, it makes sense to invest in our children in the early years. It's that simple.

Ms Bédard: Economically it makes sense. Absolutely, yes.

Ms Churley: Thank you once again for your presentation.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Ms Bédard: I'll get those documents to Ms Sourial.

ONTARIO MOTOR COACH ASSOCIATION

The Chair: Our next presentation this afternoon is from the Ontario Motor Coach Association. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Ray Burley: I'd like to thank members of the committee for having us here today and for this opportunity to speak to you. My name is Ray Burley. I operate Can-ar Coach Service, and I am a chairman of the board of the Ontario Motor Coach Association. Beside me is Brian Crow, president of the OMCA.

We appreciate that you have heard from many groups throughout the course of these consultations, many of whom have asked for increased spending in areas that they view as priorities. The objective of our presentation today is to suggest a couple of areas where we at the OMCA feel you can actually save taxpayers' money while at the same time improve Ontario's transportation

network and the quality of the environment. We recognize and support the government's commitment to smart growth, and we want to be a part of that effort. That being said, there is also one tax measure we would like to address, and we'll get to that in a moment.

I turn the floor over to Brian Crow.

1600

Mr Brian Crow: First of all, I'd like to tell you just very briefly about the OMCA and our role in the intercity bus industry. We were founded in 1930. We're the largest travel-tourism association in Canada. We are the voice of private sector bus operators, scheduled-service bus lines, charter carriers and coach tour companies in Ontario. We have over 1,200 members throughout the province and the country. Ontario's intercity bus industry, which we represent, is an important player in Ontario not only for transportation but for the economy.

We'll give you a couple of examples to highlight the impact we can have on Ontario. For example, we move over three million scheduled passengers through the downtown terminal in Toronto alone. We take, on average, 77 coaches to Casino Rama, in the Orillia area, every day of the year. In the good days, when the Blue Jays were winning pennants and had four million spectators, 600,000 of those spectators came in groups, and the majority of them were delivered by motor coach. During the run of Phantom of the Opera, in one month we had 630 coaches take passengers to that theatre alone. The Ministry of Tourism spends millions of dollars promoting Asian and European group travel to this great province. Virtually all of them use coach transportation when they arrive at an airport. We serve virtually every city and town with scheduled service and/or charters. There are thousands of motor coaches each day. One overnight tour generates on average \$7,000 a day per bus to the local economy.

There are three main areas we'd like to cover today: the expansion of government-operated transit services, municipal transit subsidies and the role the private sector can play as part of the solution and, as Ray mentioned, diesel fuel taxes.

First, on the issue of expansion of government-operated publicly subsidized transit services into areas currently served by private operators, as you might expect, we have some very serious concerns. With the province taking back responsibility for GO Transit, we understand the province is considering expanding GO services into a number of centres where private operators currently provide safe, comfortable, reliable service without any subsidy from the taxpayer.

Let us be clear: we believe there is a role for GO Transit. They are a very important entity, and we believe they have an essential role in planning and coordinating service.

Our members currently provide 49 trips per day between Toronto and St. Catharines, 37 trips per day between Toronto and Barrie, 37 trips between Guelph and Toronto, and 23 trips between Peterborough and Toronto. Why should taxpayers throughout the province

be asked to subsidize government-operated competition to these services, competition that could force, and in the past has forced, private operators out of business? It simply makes no sense for a government agency to be considering spending untold millions of taxpayers' dollars for terminals, coaches, drivers and other personnel and infrastructure that would be necessary to duplicate services that are already being provided by viable, efficient, job-creating and taxpaying private operators, specifically on those services I mentioned above.

Again, we believe there is a role for GO Transit in planning and coordinating, but we feel the provision of bus services should be by the private sector under the control of the public entity. In the words of one minister when he was defining the role of government, "service management, not service operation." You don't need to increase funding.

The government of Ontario finds itself in the same position with respect to municipal transit. Cities keep asking you for more money to operate transit services, yet many of them refuse to assure you that they run their systems in the most efficient and cost-effective way.

In our submission you will see the results of a study conducted for us on a number of major cities around the world that chose to operate their public transit systems in partnership with the private sector. In every case, the result has been improved levels of service at considerable savings to the taxpayer, ranging from 15% to 51%.

Here in Ontario, private sector competitive tendering of transit services has been successful in 20-some municipalities. Even the province of Quebec has moved to competitive tendering of transit services in communities to Montreal. Unfortunately, many municipalities in Ontario, including the big ones, have declined this option.

Finally, I would like to touch on an environmental issue. All of us recognize the importance of a clean environment. One of the challenges we face as a province is, how do we continue to thrive and grow while at the same time protecting our land, air and water? One of the answers is to try to get more people out of their cars. Each motor coach replaces up to 27 cars on our highways. Coaches achieve a remarkable average fuel efficiency of 385 passenger-miles per gallon. A 1991 royal commission determined that intercity buses are twice as fuel-efficient as trains, three times as fuel-efficient as cars and four times as fuel-efficient as commercial aviation.

The US federal government, many states and the province of Quebec recognize the value of buses in reducing emissions of greenhouse gases and other pollutants and in easing road congestion and therefore have fuel tax rebates for qualified bus operators. We call on Ontario to follow their lead in promoting travel by bus and the environmental benefits of buses over private automobiles, rail and air.

Mr Burley: To summarize, we recommend the following solutions:

(1) We recommend that the Ontario government save money and reduce expenditures by rejecting the ex-

pansion of government-operated subsidized GO Transit bus services that will displace existing non-subsidized services provided by the private sector. Instead, have GO Transit develop public-private partnerships with Ontario's private sector bus companies.

(2) We recommend that the province withhold increased funding allocations to municipal transit authorities until they can demonstrate that they have seriously analyzed alternative service delivery options, and in particular competitive tendering.

(3) We recommend that the Ontario government implement a 50% diesel fuel tax rebate for motor coach operators, which would amount to seven cents a litre, similar to that in place in the United States. This incentive would help to make intercity motor coach travel a more competitive option to automobile usage.

We'd like to thank you for the opportunity to appear before the committee today. The Ontario Motor Coach Association stands ready to work in partnership with the province to help save taxpayers' money; grow our tourist business; provide safe, efficient, reliable transportation services; and help reduce road congestion and improve our air quality.

The Chair: Thank you very much. We have approximately three minutes, and I'll start with the official opposition.

Mr Ramsay: Thank you very much for your presentation. I'm sorry I was late. I guess you guys must have started early.

The Chair: No, right on time.

Mr Crow: The bus left on time.

Mr Burley: They always leave on time.

Mr Ramsay: That's fine. I've just been going over your recommendations, and they're very interesting in regard to GO Transit. Obviously you come to this from your perspective. I'll tell you, this is going to be a big challenge for governments. As you know, in the 905 area and in Toronto there's a tremendous challenge in how to manage the tremendous growth that's happened here in the last 20 years, and transportation is one of those challenges. There are some others, like waste disposal, but transportation is certainly a big one. As you know, initially the government thought they would get out of GO Transit service, and then rethought that and decided to get back into it. As you also know, the government has decided that the whole region should take a look at these problems on a broader basis than just the GTA, because these challenges really affect a much broader area. I'm not so sure at this time—and I know from my point of view—that abandoning government involvement in urban rapid transit is a good idea. Quite frankly, I think the government has to keep its hand on this. In fact we have to do a much better job, although a job you could probably be a partner in.

To really make rapid transit attractive to people, say, in the Golden Horseshoe area, it has to be seamless in all the various components of it. It has to be low-cost, and that's why I think there has to be a subsidy. That's why I think the government has to have a hand on it too, for the

planning and coordination of it. It has to be low-cost and it has to be seamless, so that it's convenient, so that you could get on a GO train in Hamilton and end up north of Toronto through the system with one tariff in a seamless way.

So I appreciate this recommendation, but from my point of view—and I'm not the government right now, so you don't have to worry about me too much at this time—this is a big problem and something that I think the government is going to have to keep its hand in.

1610

Mr Crow: You made a couple of points and I want to clarify something: we're not suggesting that the government should abandon transit at all in any of Ontario areas, let alone the 905 or around-Toronto area. It's not a suggestion to abandon it, it's a suggestion to work with the private sector in existing services.

You also made the point about it having to be low-cost. We certainly agree. I understood you to say that for it to be low-cost, it must be subsidized. That's where I might disagree with you. There are low-cost services, as we've reported here a few minutes ago, like 49 trips a day between Toronto and St Catharines that are costing you nothing. That is not subsidized. Having 49 trips a day between those two cities is a lot of movement of a lot of people. It is being done without subsidy, so we do not connect low cost with subsidy. Low-cost is connected to cost efficiency and we think we can add that to the equation.

The third point you made was on seamless transportation: absolutely; we've attempted in Toronto to have our bus terminal moved down to Union Station to make it intermodal, and the city of Toronto has prevented that. We believe it's seamless. We want to work with VIA Rail; we work with GO Transit. We are providing passengers to GO trains now at the terminal areas. We want to improve that. We think you can accept all three recommendations and meet your targets and your goals as well.

Mr Christopherson: I wouldn't mind picking up on the same discussion or just following it along because I share some of the concerns the previous speaker has raised.

You mention in one of your paragraphs here actually taking over some municipal services and said that unfortunately Toronto didn't—let's just try this. In Hamilton, of course, you know the HSR, the Hamilton Street Railway. Already as a result of funding cuts, mainly because of the pressure on Hamilton city council from transfer payments that have been cut from the province, there is reduced money for the HSR, so some of the routes that may not be used the most but are important to the people who do use them are being cut or limited.

One of the main reasons government actually provides some services hands-on, and transportation is a really good example, is because of the geography of our nation and our province. I appreciate and respect the fact that between Toronto and St Catharines you can do 49 trips a day. You've got the business there, the customer base,

the road infrastructure is there for efficiencies, so I can appreciate that you could operate your company, make money and provide that service at a fair price to customers; no problem. It's when you get into areas where there isn't the customer base and there aren't the efficiencies—yet citizens, particularly seniors and others who have no other options, are entitled to be able to get around in our province.

Those two examples: first, where distance doesn't allow you the same business efficiencies that you can have in some of the higher population density areas; and second, just with HSR for instance, I don't understand how, if it became private, it would automatically be more efficient all of a sudden just because it's not public. So maybe your thoughts on those two.

Mr Crow: Certainly. First your point about our taking over services: I want to make sure we're very clear on that. We're not suggesting that we take over the operation of the Hamilton Street Railway, the TTC or anything like that. What we're suggesting is that those transit properties can do the planning, the controlling and that they competitively tender the actual operation of the buses. If they want a bus going down a road empty at two o'clock at the morning, we'll operate it for them. So the transit entity controls the routes, the fares, the schedule and they can even control the colour of the driver's uniform. They put it out to tender and companies bid on the tender and actually operate the service. There can be incentives in there. If you are late five times a month you forfeit \$5,000. You can do more with a private contractor than you can with a direct ownership.

The point about the low-usage routes: we operate services now. Every one of those trips from Toronto to St Catharines isn't full. There are times of the day when there are only one or two people on there. So, to your point, we're proving that we operate those services whether there are two people on it or whether there are 50 people on it. On average, the passengers pay enough to justify the cost of operating it.

Please understand we're not suggesting that we're going to take over the TTC or that we're going to abandon the routes. That's what you hear so often when somebody starts talking about this, Mr Christopherson. We are not saying the routes are abandoned and that we're going to cherry-pick, nothing like that at all. The transit property controls the routes, fares, schedules and puts the operation of the buses out to competitive bidding.

Mr Christopherson: Some of us have a difficult—

The Chair: Thank you very much.

Mr Christopherson: Done?

The Chair: Yes.

Mr Christopherson: OK. Thanks very much.

Mr Galt: Thank you for your presentation. It was much appreciated. I'd like to zero in on your third recommendation. It's kind of a two-pronged question. One, if that was to happen, I can hear the people with the railway saying, "We also have to pay for the rails," and on the highways, unless you take the 407, you have more or less

a free highway to travel on. So there would be that argument back. The other is from another hat that I wear as Chair of the select committee on alternate fuels. You're asking for a reduction in the gasoline tax or fuel tax. Would you consider, if that were to happen—and I'm coming from discussions in that other committee, not necessarily from government—that those buses would run on alternate fuels such as biodiesel?

Mr Crow: First, your comment about the rail industry wanting a rebate, and I guess maybe the airline industry would too, and the trucking industry—and you're going to hear from them, I think, later today. What we are saying is that as road users we are paying more in fuel taxes and permits and licensing fees than what is spent directly and indirectly on the roads and the highway system. All we're asking for is on diesel fuel only, not gasoline. So it's not a rebate to car users; it's a rebate on diesel fuel. What we're asking for is just to return some of the excess money that is being collected from us. I'm not sure the rail industry can make that same argument. I'm not sure they can say that their taxes cover the cost of the land they got from Canada for nothing to run the tracks on and so forth. I'll leave that answer up to them.

Your second point about alternative fuels: some in our industry have done that already. The problem with inter-city travel, especially the longer distances, is that there are not those service depots, there are not places to refuel on the road. Motor coaches are constructed with 200- to 300-gallon capacity of diesel fuel because that's what's available. It's difficult, when you get outside of a major centre into rural areas, to find a place to load up with alternative fuels. What we're also learning from some of the transit industry on hydrogen and so forth is that it takes so long to refuel the bus, that it's out of service for so long, you can't become efficient and so forth.

We are looking at, would continue to look at and would welcome any suggestions on alternative fuels, but as it stands today, with the distribution network, we have to rely on diesel.

Mr Galt: It's kind of a chicken-and-egg problem, isn't it?

Mr Crow: Yes.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Mr Crow: Thank you for your time. Good luck on your budget.

ONTARIO NON-PROFIT HOUSING ASSOCIATION

The Chair: Our next presentation will be from the Ontario Non-Profit Housing Association. I would ask the presenter to please come forward and state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes, and you certainly may grab a glass of water.

Ms Noreen Dunphy: My name is Noreen Dunphy and I'm with the Ontario Non-Profit Housing Association. This is a very timely moment for us in the afford-

able housing sector because we believe we are on the eve of an announcement of a federal-provincial agreement, a joint agreement, to begin to fund and build affordable housing in Ontario. This is something we haven't seen since 1995. But there are a number of matters relating to that that need to be addressed in this and subsequent years' budgets. So that is why this is very good timing from our perspective.

For the purpose of this presentation, I'm going to really just focus on the first three pages of the written pages that have been distributed. The background information for our recommendations is in the bulk of the actual document, but I'll stick with the first three pages.

We are going to make a number of recommendations and focus on five topics: first, the need for a comprehensive national affordable housing strategy; secondly, what the appropriate Ontario government response ought to be to a recently announced federal initiative for a capital grant program; third, comment on the evolving role for municipalities with regard to affordable housing development; fourth, touch on some of the continuing provincial responsibilities in housing—that is, those things that have not been downloaded to the municipal sector; and finally, if time permits, just a brief forward look to the future, where there are some ideas circulating about using the tax system and other innovative financing mechanisms to help in the development of affordable housing.

I should just mention that our organization represents non-profit housing providers in the province of Ontario. We currently have over 700 non-profit providers as our members, representing about 100,000 social housing units in the province today.

1620

I'd just like to briefly mention, in terms of the current status of housing needs in Ontario, that we publish an ongoing series of reports and updates each year called "Where's Home?" that are published on our Web site and on some others. We track 21 Ontario municipalities as well as Ontario-wide statistics. I'm sorry to report that the trend we've seen in recent years has continued, namely, that the situation for tenants is getting worse: vacancy rates are continuing to decline in most Ontario municipalities and new rental housing still compromises only about 2% or 3% of all housing built in Ontario. I always think it's worth taking a moment to stop and turn that on its head and say that of all new housing built in Ontario pretty much over the last decade, 98% has been ownership housing, yet somewhere between 40% and 50% of the population of Ontario are tenants. That fact alone ought to tell us that something is out of whack.

We certainly saw a deficit in social housing construction once the programs were cancelled in 1995. That did not cause the problems for tenants in the private sector, but that growing deficit of construction of social housing has absolutely aggravated an already bad situation for tenants. Canada is the only country we're aware of in the western world that doesn't maintain an ongoing program or set of initiatives that are directly targeted to

produce new affordable rental housing each and every year. It's considered to be something that's just part of what you do as a western country, an acknowledgement that keeping a balance in the market will only be possible if there is at least a minimal addition to the social housing stock year in, year out. We've unfortunately just now come out of seven years of nothing being built, so we've got a lot to catch up on.

In terms of our recommendations, we believe that both this provincial government and the federal government need to work on a more comprehensive national affordable housing strategy, and notwithstanding some early initiatives, agree to ramp up their budget commitments to this over time to more closely approximate the targets that the Federation of Canadian Municipalities has been advocating for over the last several years.

Second, we think that this recent federal initiative, a capital grant program for affordable rental housing, is only one part of the strategy. It's not the strategy by itself. It's a welcome initiative, it's a critical initiative, but the federal minister himself acknowledged that it's just a five-year "temporary program," which is the phrase he used. So I just need to bring us back to realizing that we need a more enduring strategy. We haven't got one at the moment.

What should Ontario be doing in response to this particular capital grant initiative? Starting with the 2002 budget, Ontario should fulfill its obligations under the federal-provincial agreement and provide matching capital grants to the federal money. That would come to \$50 million annually contributed by the Ontario government to match that of the federal government. This would produce in Ontario about 2,000 new rental units a year for each of the next five years.

Starting in the 2003 budget, we believe that Ontario should additionally budget for a portion of the units to be made available for rent supplement purposes. As I think members of the committee will know, the lowest-income tenants in a social housing project are paying according to their income, whereas other people are able to pay something around the low end of market rent. That way you find a way to make sure that the lowest-income people get the assistance they need but you're not providing more assistance than is needed for the more moderate-income tenant.

Third, municipal contributions, which are an important part of the new picture of having to cobble together funding from different sources to get affordable rental housing built, are important and they have a critical contribution to make. However, the provincial government currently has announced only \$4 million a year in matching funding to the federal \$50 million a year. It is not possible or appropriate to expect municipal contributions to make up the additional \$46 million a year that's required to make this initiative fly.

Just a brief comment in terms of what room there might be in the Ontario budget to possibly contemplate \$50 million a year when the announcement so far by Minister Hodgson has been only \$4 million a year: I

bring to your attention two points that are covered in more detail in the back of our presentation. One, in the last year that I've seen the statistics, 1999, Ontario was spending \$300 million less each year on assisted housing than it was in 1995. So it took a massive hit, a massive reduction in the spending on social housing. We would argue that if even a small portion of that were to be reinstated, a very small portion indeed, it would be enough for Ontario to fulfill its partnership requirements with the federal government, namely, the \$50 million a year.

The other thing we noted from last year's budget: the provincial government drew to everyone's attention the fact that they were receiving windfall surpluses in the land transfer tax revenue account. Last year alone I believe they received an extra \$50 million on top of the half a billion, approximately, that had been budgeted. Again we'd say that if even a small portion of just the windfall part of that surplus had been redirected to the part of the real estate market that isn't functioning well, namely, the rental market, we might have seen significant amounts of housing built.

The evolving municipal role: we've already commented on how critical their contributions will be. They can also play a critical planning and coordinating role to get housing actually built on the ground. But we would say that if the provincial government is not able to increase its matching share of this capital grant program—right now it's providing about 8%—if it's not able to get that up to the 100% and if it's going to rely on the municipal contributions, then frankly the provincial government should just step back out of the way, pass the federal money on to the municipalities that are going to have to do the matching and leave it up to the municipalities to design the program to meet their local community needs.

Continuing provincial housing responsibilities: I won't go into it today except to note that the province has never relinquished its responsibility in the area of supportive housing. This is particularly critical to ensure that people don't spend the rest of their lives in institutions. If you think of it as a deinstitutionalization strategy, whether we're talking about people with mental illness, people with physical disabilities who need attendant care or adults with developmental disabilities, this is an area of responsibility. Ontario needs to continue to expand housing for that population.

Now we come to the area of taxes. The provincial government position in recent years, as we've heard it articulated, is that all levels of government should amend their tax system and remove tax barriers so that affordable rental housing could be built more efficiently and at lower cost. Indeed, the Ontario government has made quite a number of recommendations as to changes to the federal tax system. It has also enacted a number of regulatory changes that make it easier for municipalities to also forgo tax revenue and fees and charges in favour of rental housing. These are good moves, by the way. There's not a problem with that.

The only problem might be what I would call the problem the Bible admonished us about thousands of years ago: namely, the danger of pointing out the mote in one's brother's eye while ignoring the even larger one in one's own. At the moment, Ontario has absolutely no tax concessions of any nature whatsoever for affordable rental housing—not one—but it's spending a lot of time telling the other levels of governments what they ought to do in regard to removing tax barriers.

We have two very practical immediate suggestions that we think could be implemented in the 2002 budget. Ontario should waive the land transfer tax payments and the provincial sales tax for any new qualifying affordable rental housing that is being developed under any of the federal, provincial or municipal initiatives. We think that would be a simple gesture, but an appropriate one, to make sure the proper incentives are in place and the cost reductions possible to get affordable rental housing built. I think Ontario would find it easier to get the attention of the federal government on their longer-term proposals on changing the tax system, were they to take some direct moves on their own.

I think I'll stop my presentation at this point, other than to say that we have other recommendations that might be fun to look at in the future. They have to do with the future direction of other kinds of changes to the tax system and innovative financing that we suspect may be in part the way of the future for funding affordable housing. Thank you.

1630

The Chair: We have approximately two and a half minutes per caucus, and I'll start with Mr Christopherson.

Mr Christopherson: It's good to see you again. Thanks for your presentation.

The first thing is your thoughts on Minister Flaherty's idea that he's going to solve the homelessness problem just by outlawing it and making it illegal to be homeless, and I guess therefore we don't have a problem. That's my first question.

I'll load you with a second question before we go any further. I asked a question earlier today based on a document tabled by the minister about a social housing line item here for revenue, under the government of Canada—meaning money that the province of Ontario will receive from the federal government—that shows they were expecting to receive \$530 million. I asked where that money resided within the government coffers, and I was told it was a 100% pass through. As I understand pass through, it comes from the federal government into the province, which merely does a notional booking account and they transfer it automatically, 100%, to the municipalities.

I just wondered if you know what that's about, exactly what that does and doesn't do and how it dovetails with the recommendations you've made here today.

Ms Dunphy: Fair enough. On the first point, the only comment I would make about outlawing homelessness is that we know that if you're going to bring people to

shelters, if you're going to allow them to go into either second-stage housing or housing with supports, you need to have the facilities there to bring people to. So if we're not building or providing the support funding for community agencies that work to keep people who are chronically homeless off the street, then that strategy is not going to work.

But that strategy also doesn't speak to the non-visibly homeless, the families who are in the welfare motels on Kingston Road simply because of the lack of affordable family housing. I don't think the question of laws would come in there, but the question of providing appropriate affordable housing for them would.

In terms of the federal money, I'm awfully glad you asked that. For the last three or four years, the federal government has passed on \$530 million a year to the provincial government. In the first two or three years, the provincial government realized a saving of, I believe, anywhere from \$75 million to \$100 million annually, mostly due to the fact that mortgages have been rolling over in recent years at lower interest rates so the cost to subsidize social housing has dropped dramatically. That's a good thing.

We had asked the Ontario government to reinvest those savings into new affordable housing. A fairly significant amount of that money—I can't tell you exactly how much—I believe was taken into the general treasury. Some of it was set aside for the announcement of a private rent supplement program, the so-called 10,000-unit program. I believe at best 3,000 or 4,000 units currently have been taken up for that.

Having said what I've just said, I believe the provincial government has stated their intention in the future to pass through, as you're saying, the bulk, if not all, of that money to municipalities. But when I ask our colleagues in the municipal sector whether they have an ironclad guarantee that they're getting every penny of that \$530 million, they say no. They think they're probably getting the majority of it, but they haven't actually seen the books and they haven't got the certainty that they will actually get every penny of it. Certainly, they did not in the past two or three years.

Mr Christopherson: I strongly suggest you check the Hansard to get the exact quote, and then we can back it up from there, because it was the question I asked. Thank you, Chair.

Mr O'Toole: Thank you very much for your presentation. We've had other presentations on housing, and it is an issue with respect to—I suspect there is a driving force today for the strong economy. That would in itself create some surplus demand issues within the rental part, if people are moving to homes. As an owner, there would be theoretically some opportunity there for the market to loosen up, but there is a strong economy. Fundamentally, that's the time that people try to move into home ownership.

Mr Christopherson has indicated there's half a billion dollars flowing through from the federal government. There are other initiatives the province has taken, and

you mentioned one, that the multi-residential property class has been allowed to lower the tax rate. I'm going to dwell on that for a moment because I know, without embarrassing the Chair, Mr Beaubien is looking at the assessment issue in the province. The facts he brought to my attention in one of the reports he issued were alarming. In Toronto, for instance, the multi-residential property tax rate is four times residential. Let's think about that for a moment. That's four times more for the rent component with respect to taxes, versus living in a residential situation. That's really a choice of council to set that hidden tax burden on the apartment renter, who really doesn't see it. It's all blended into their rent. I think that's unconscionable of all municipal levels that are charging. I hope his report addresses that with respect to allowing them. I fully know that if you spread it from the multi-residential group to residential or some other group within the tax-rate groups, it's going to flow somewhere else. They have to get the revenue from somewhere else. But that's one theory I would like you to respond to.

The other issue is the \$2,000 grant to offset the PST that the province has introduced to encourage rental properties to be developed. I suspect that's another stimulus that hasn't really been totally picked up. I put to you that part of it is the multi-residential tax rate. If I look at the number of buildings going up, most of them are condos. The reason it's condos is, if there are two buildings side by side and one is a condo and one is a multi-unit residential, one is paying 400% more tax than the other. Guess which you build? Which can you bring to the market cheaper? They are building condos. Many of those condos are being bought as groups and bundles and being rented. That's how they are being handled in the marketplace. You know that; I know that. I know people who live in Toronto who actually rent a condo that somebody owns. I think the market is somewhat difficult.

I would appreciate if you could respond to the two issues I've brought up. You seem to work with it, you seem to be a very patient, thorough person and I'd like your response to those two issues.

Ms Dunphy: I have a couple of quick things. First, there are lots of ways in which what we call the secondary rental market occurs, whether it's people being in basement flats, renting condos or tenants who then move out and buy homes, as you are pointing out. What I would say to you is this: if those were sufficiently taking up the slack, then we would not see rental vacancy rates at less than 1% and rents consistently going up at twice the rate of inflation. In other words, if that secondary market or tenants moving to ownership were sufficient to ease the demand, then we would see a little more balance in the market. That's the way you could observe it if it were working well. We could say we'd be worse off if that wasn't happening, but we just can't be complacent in thinking that has solved the problem.

Secondly, the percentage of condos that are rented out to tenants now is significantly lower than it was even three or four years ago. Again, not to say it isn't im-

portant, but what it was several years ago has been reduced. In part, that's because it's an unstable supply of rental housing. You can't count on it, and there is a very good illustration of it.

The tax issue—I would just like to caution members on the following point: yes, there is no question that where you've got a big gap between a multi-residential tax rate and the home ownership rate there are inequities, no question about that. However, I would caution you from assuming that therefore it means, in your example, that they're paying four times the tax they are, because they are assessed completely differently. The way you assess rental is different than ownership. It might be more accurate for us lay people who aren't assessors to say, in your example, if we build two buildings side by side with relatively modern construction—one might have more luxury features if it's a condo, but let's say it's a two-bedroom apartment—what you would want to see is at least some rough equity in the tax they pay. It might be more like twice rather than four times, which doesn't take away from the equity issue, but I'm just saying it's important for us to keep that in perspective.

I think those moves that were made by the provincial government to allow that to happen were very significant and very welcome, and I think we're going to see cities like Toronto, Ottawa, Hamilton, London and Waterloo following up on that in order to make sure we get affordable rental housing built. The point is, in and of itself, it isn't enough.

Mr Ramsay: Thank you very much for your presentation. I have two questions. I'll just give them to you at once and then I'll let you have the floor.

I'd be very interested to know—because homelessness gets quite a bit of attention from time to time, and I think it's an area that both levels of government have let our country and province down in—do we have an understanding of how big a problem this is in Ontario, how many people we have who don't have homes? The number of people, I suppose, who have substandard shelter would be part of that. When we're talking about increasing the Ontario budget to match the federal contribution of \$50 million a year, how many units of social housing would \$100 million a year provide?

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Ms Dunphy: In terms of the homelessness numbers, nobody has that for Ontario. We did a report called *Where's Home?* in 1999 that looked at the 21 municipalities. We did eight of them in depth, and we realized that you had to use other ways to measure them. You had to look at things like increases in the use of food banks or other emergency food providers. You certainly could look at the growth in waiting lists, and you could look at the rate of growth in the number of stays in overnight shelters, growth of out-of-the-cold programs and so on. Honestly, there is no efficient and effective way to measure it.

What I would say is that since we did that report in 1999, quite a number of municipalities have done their own homelessness snapshots, and many of them, I think

most helpfully for the purposes of our discussion today, have begun to develop an approach to talking about preventing homelessness, not just counting the ones who are, or tenants who are on the brink of homelessness. There, what I can tell you is that almost one in four tenants in Ontario today is paying more than 50% of their income on rent. It doesn't mean that they all could become homeless; it means, though, that any number of them could, because they are one paycheque or illness or accident away from not being able to afford to pay their rent.

In terms of the \$100 million a year, essentially what you'd be getting is anywhere from 2,000 to 3,000 rental apartments built, with a significant number of them being family units. You could build more if you were just building for singles, so we're kind of averaging things out. But with municipal contributions and with achieving a variety of different rent levels, using both private sector proposals and non-profit, you could probably stretch that further. We might be talking about something that's more like 3,000 to 4,000 a year rather than 2,000 to 3,000 a year.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

TORONTO CIVIC ACTION NETWORK

The Chair: Our next presentation will be from the Toronto Civic Action Network, Toronto CAN. I would ask the presenter or presenters to please come forward. Please state your name for the record. On behalf of the committee, welcome. You have 20 minutes.

Ms Tanya Gulliver: My name is Tanya Gulliver, and with me is John Cartwright. We are here as representatives of the Toronto Civic Action Network, known as Toronto CAN, because we believe Toronto can do a lot for its citizens with the help of the other levels of government.

Over 50 community groups and many individuals, as well as labour unions, have endorsed us in our platform. Our supporters want the provincial government as well as the federal government to negotiate new governance and funding structures for municipalities.

It is time to critically examine the future of our cities. Over the last seven years, Ontario has dumped hundreds of millions of dollars of costs on to its cities, creating a funding crisis that threatens to overwhelm the property tax base. The Provincial Auditor recently found that the city of Toronto alone faces a \$140-million shortfall because of downloaded costs. Downloading to municipalities and school boards may have helped balance the provincial budget, but for many cities, especially Toronto, it's proving to be a disaster. If this damage is to be contained and reversed, there must be a fundamentally new financial funding agreement between Ontario and its large cities, especially Toronto.

We're going to touch on a few different issues that we feel are of particular concern. As the last speaker mentioned, housing and homelessness are an incredible crisis

in Toronto. A vacancy rate of less than 1%, increased evictions of tenants, the lack of affordable housing—we are at an extreme crisis. The dumping of social housing on to municipalities by the province is a ticking time bomb. The problem of homelessness will not be dealt with until we produce more affordable housing; without intervention of governments at all levels, this will not happen.

I'm on the board of St Clare's Multifaith Housing Society, which is a new housing project that recently opened 50 units of housing at 25 Leonard Avenue in the Bathurst and Dundas area. This could not have been done without funding from all levels of government. The commitment from the provincial government, which I believe is \$2 million in rent supplements, was absolutely critical. But this is only one small step. The city of Toronto alone needs 2,000 to 3,000 units a year in order to start dealing with the homeless crisis. Fifty units is not enough, but it certainly was a start.

The Gillian Hadley inquest, which concluded recently, recommended that the provincial government get into the development of new, affordable rental housing, as well as increasing the shelter component of welfare. We believe it's necessary to increase the entire welfare rate, but particularly the shelter component must be addressed, or some form of rent supplement must be addressed. Three hundred and twenty-five dollars a month for a single person in the city of Toronto is absolutely ludicrous. With a vacancy rate of less than 1%, I challenge you to find suitable housing for \$325 a month.

The newly agreed upon national housing strategy is a great step, but we need the province to step up to the plate and come on board with new money; not just PST supplements and not just land, but new money that can help in the creation of social housing across the province.

Mr John Cartwright: My name is John Cartwright. I am the president of the Toronto-York region labour council as well as the spokesperson for Toronto CAN. I have appeared in front of your committee before, when I was the business manager of the Construction Trades Council. I also had the honour of taking our city's Olympic bid to Lausanne, to the IOC, just over a year ago. One of the things that was involved in that bid, besides our saying we would put on great games that the people of Toronto and Ontario could be proud of, was that that bid was signed by the Premier. It talked about the things we would commit to as a province and as a city. One of those things, as part of the bid, was affordable housing, and we don't see any coming out today.

One of the other things we talked about was a legacy of facilities, recreational facilities for young people where they would be able to enjoy sports, learn sports, start to love sports, and see that as part of growing up adequately in today's society. This evening at the Toronto District School Board, down the street, there's a debate on whether or not the school board can afford to keep any of its pools open. The other day at Toronto city hall there was a debate about whether the city of Toronto could afford to pay for any pools because of the downloading of other obligations that are put onto it.

The irony of all this is that we went to the world and said that we can do some great things, and less than a year later the pool where my kids swim is in danger of being closed. I don't know how anybody here, of any of the three parties, thinks we could ever mount another Olympic bid with a straight face, with a clear conscience, and have the people of Toronto believe us. I think we have some real, serious concerns about our credibility when we look at the tiny amount of money that would be required from this government to maintain something as basic as keeping those 84 swimming pools open, when you compare that to the \$2.2 billion of corporate tax cuts that are going to be maintained.

Gentlemen—I'm looking over there—you've got to get your priorities straight; you've got to figure this thing out. I'm very proud of this city, but I don't want to be ashamed by turning to the 2.3 million other residents and saying, "I was really fooling when I took that bid over there, because the people who signed the bid had no intention of living up to the kinds of things we were talking about with this city."

We also talked about ensuring that we had good transit there—fundamentally key. We looked at the horror of Atlanta and we said, "We're going to have good transit." The province has finally decided to get back, a little bit, in the transit business, but you're not paying what you should be paying. You're not paying the fair share that this province has traditionally done. There's an old expression about the guy who walks into a bar and he's boasting about how good he is, but he's got long pockets and short arms. The province of Ontario can't walk in there and talk about offering to give money for transit when they've withdrawn the vast majority of it and asked the federal government to fill that place, or the municipalities or the single-family homeowners to fill the place, because of course there is a cap on the multi-res, commercial and industrial tax base in Toronto. One of the recommendations from this budget committee has to be that the province go back to 75% of all capital costs and support 30% of operational costs of public transit.

It has to look at the difference in what the Toronto District School Board is talking about of the real costs of public education, the costs for our kids to succeed—what they're calling now a need-to-succeed budget—a hundreds-of-millions-of-dollars shortfall from the funding formula that the province has imposed and applies to the schools in Toronto. It's a tremendously multicultural city. We boast about it when we go on the world stage. The reason we can say that we have people here from 169 different countries, speaking 100 languages, and yet they live in harmony is not because we around this room are smart; it's because our education system got its act together 15 or 20 years ago and did ESL courses and heritage language courses and taught kids to respect themselves and where they come from, and by doing that, respect others around them. But that costs money. When I look at the elementary teachers, the stuff they presented to you earlier today, and the loss of special education, the loss of teaching assistants, you

can't do this. You can't shortchange the system and still have a healthy, strong city.

1650

The final piece that I'm going to touch on is around the environment. Going back to the sports issue, there was an ironic newspaper article about two weeks ago about how the incidence of smog and asthma now is hitting kids who are athletic more than those who aren't, and it's hitting major cities more and more because of the chemical soup that's pumped into the air, largely through automobile exhaust and NO_x and CO₂ emissions. The province has to live up to the responsibility of ensuring that the Ministry of the Environment is fully funded so they can protect the water and the soil and the air and the public health. It also has to take a lead in providing the money for proper solid waste diversion; not asking us to go and dig a hole in northern Ontario and dump it in that lake, or even trucking it to Michigan, which is not an alternative, but to provide the supports that are required for public policy that looks at solid waste and says, "This has got to be dealt with as a resource, not as something that's garbage."

All of this stuff takes money. When you're trying to live in the GTA, in this capital city of Toronto, you can't starve a city. You can't starve your capital city and have it maintained as a healthy place, as a place that we can be proud of in the future. Maybe some people don't care about that, but the folks I represent, the folks Tanya represents and those folks who are sleeping on the sidewalk who used to be construction workers, who used to be steelworkers or autoworkers making wealth for this province and fell on hard times, people who can't put a roof over their heads because there is no affordable housing being built, we all want a strong city, we all want a decent city, we all want a decent standard of living and quality of life for all kinds of working families. But it does take money to do that.

Ms Gulliver: In closing, fundamentally, Toronto CAN feels that there needs to be a fair deal between Queen's Park and the municipalities and school boards in Ontario. For the city of Toronto in particular this is required today—not years from now, not after many more commissions and studies, but today. The city must have a stable revenue stream other than property taxes, and school boards need to have adequate funding for all the educational needs of its citizens. The city needs the ability to sell municipal bonds; it needs a share of the fuel tax; it needs to be able to levy hotel tax; and there needs to be a negotiation between all levels of government to find ways for cities to support themselves. We need the province to pay its fair share and to address the costs of downloading. We need the province and the federal government to enter into a new agreement with regard to municipal governance and financing. Thank you.

The Chair: Thank you very much. We have two minutes per caucus and I'll start with the government side.

Mr Spina: I just wanted to say welcome back. I know I've seen you before and heard your presentations. Your

points are well made, and you put a lot of thought into it, I know. You certainly have brought a point forward that has been brought forward by others. I think you were here a little earlier when the non-profit housing people were here as well. We appreciate that and will take it into account.

Mr Hardeman: Thank you very much for your presentation. I was intrigued by your last comment about municipalities needing the ability to issue municipal bonds. I know this has been discussed over a number of years. I was a municipal politician for 14 years. In your mind, are municipal bonds not just another way of borrowing money? Is that really a problem, that municipalities can't borrow enough money?

Ms Gulliver: I would say that municipal bonds are a way of citizens to invest in the city, the same as provincial bonds or federal bonds are a way for citizens to invest in the province or the country. If all levels of government are saying there's not enough money, which we disagree with, then we have to look at other options. Right now, \$4 billion more flows out of Toronto to the provincial and federal governments than comes back in services for the citizens of Toronto. So we need to renegotiate the whole system of financing. If in the meantime one way of doing that is municipal bonds, we think that's something that should be explored. But the whole financing system is something we're very concerned about.

Mr Ramsay: Thank you very much for your presentation. I really liked the thrust of all the challenges Toronto faces. It was a good summary of all that, and I really agree that our capital city has to be rebuilt, basically. I've represented my northern riding for almost 17 years now, so I've been down here for part of my life for 17 years, and I've noticed a big difference in how this place has really slipped and how the quality of life for people has really slipped. All Ontarians, regardless of where we live, are very proud of our capital city. We come to it for business and for pleasure. It's a cultural and sports centre. We want to see it world-class again, and that's based upon quality of life. I think it is a tragedy, too, that this debate goes on about swimming pools. There has got to be basic recreation for people; it has to be there. We are a very rich province in a very rich country, and to be having this debate now is ridiculous.

I'm glad you brought up smog and asthma. We have the second-dirtiest gasoline in North America. It would just take the swipe of a pen by this government ordering the refineries to produce the cleanest gas. That's what the automobile manufacturers also want, because the anti-pollution devices in automobiles do not work properly with the poor grade of gasoline we produce. Yes, the refineries are going to come in and say, "That's going to cost us millions of dollars." But just about every other jurisdiction in North America has already done this. There is no excuse to have this dirty air, at least what we're producing through automobiles. We need to clean that up. It's a matter of government having a vision as to the role of government in society.

Are there, in this case, provincial goals that we all should have as a people? Should the government lead that or, as this government believes, will the private sector somehow take care of everything? They've got it all one way, and it's somewhere in the middle. You need good regulation and vision by government to drive a capitalistic system, and you get the best of both worlds if you do that. But if you just leave it to the capitalistic system, the degrading of our society, as we're seeing now, is what is going to happen. This has to stop. We've got to start to have a sense that this is the greatest place in the world to live.

I'll just give you a quick anecdote. I met a PC staffer downstairs who just went to Ireland, and she said to me, "Wow, I can't believe the turnaround of that society. It was one of the poorest countries, and now it's one of the richest." I said, "Do you know what? For over 15 years they've had free tuition, and they've got a trained workforce." It's a government investment in its people that will bring about wealth, and that's what this government doesn't understand.

Mr Cartwright: On the issue of refineries, it's exactly the point—and it's not a criticism just of this government—that changing those refineries over would actually create jobs, and they're what we call green jobs. Recycling and composting programs for solid waste would create jobs. When we look at the dispute right now between the federal government and some of the provinces—and I'm kind of ashamed of our province's role on the Kyoto issue—people have to realize that we can actually create more jobs, and they'd be good-paying jobs, and be a healthier society by taking some environmental initiatives today. That's a fundamental piece of rethinking how the economy takes place and how our investments, both public and private, better our society.

Mr Christopherson: Thank you both for your presentation. I'm sure you were comforted by Mr Spina's warm words, and I'm sure he meant them. I think it would mean a lot more, though, if they were saying they would commit themselves to urging the minister to spend some money in the areas you've raised, because nice fuzzy warm words aren't going to change a damn thing.

I agree that you gave a really good overview. I want to ask if you have a sense, and can explain it for us, of how we compare with our capital versus other provincial capitals across the country or other large cities outside Ontario. Are there any provinces that are approaching these issues in a different way that is giving them more positive outcomes than we're getting here in Ontario, specifically in Toronto?

Ms Gulliver: Particularly with regard to housing, I think if you look at the province of Quebec, the national housing strategy was barely dry and already Quebec was negotiating its share and starting to build housing. Certainly we see the crisis in Toronto much quicker. Because of the size of Toronto and because of its location, people come to Toronto from across the country and from other communities in Ontario, and so the situation is manifested in a greater way. Other capital cities of provinces

across Canada are starting to express the same concerns we saw a few years ago.

I think Quebec is the best example of a province that has completely come on board and committed to building housing that is really affordable; not housing that costs \$700 or \$800 for a single person but housing that is at the level we would like to see in Ontario, somewhere around \$325, unless the welfare shelter component is increased, which is what happened with St Clare's. The tenants at St Clare's pay \$325, and the provincial rent supplement makes up the difference. That's a great model, but, as I said, it's only 50 units.

1700

Mr Cartwright: In fact most other provinces in this country now provide municipalities with much more flexibility in their funding, in their revenue-raising and in their expenditures. Of course if you go south of the border—certain people love to emulate what happens south of the border, except for one big issue: senior levels of government pour huge amounts of money into the municipalities, into the issues of transit, affordable housing, urban redevelopment and, until recently, even around environmental renewal, significant investments by senior levels of government that are not found here in Ontario.

Mr Christopherson: It's interesting: Quebec is also one of our main competitors, and they beat us out in a lot of areas. That testimony was given here earlier today. So one doesn't necessarily cancel the other out.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

ONTARIO TRUCKING ASSOCIATION

The Chair: Our next presentation is from the Ontario Trucking Association, Canadian Trucking Alliance. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr David Bradley: Thank you very much, Chair and members of the committee. I'm David Bradley, president of the Ontario Trucking Association. I'm pleased to have the opportunity to speak to you again this year.

The challenges that Ontario faces this year, of course, have been impacted greatly by the events in the US economy over the last year and obviously the events of September 11. In terms of the border situation at the present time, we can report to you that delays or transit times have basically returned to what they were prior to September 11. However, one has to recognize that the reasons for that are twofold: (1) there has been an increase in the number of border guards hired, at least on a temporary basis, on the US side. However, over the longer term more border guards mean more inspections. And (2) we have seen a marked decline in car traffic across that border. I'm very concerned that once the recovery takes hold on both sides of the border, we will, without a new sophisticated bilateral border system, be back in the soup one more time.

I think, though, that the aftermath of September 11 has created some additional awareness of some issues we've been trying to bring to government's attention for some time, and perhaps has served as somewhat of a wake-up call. I think there is now a greater awareness among all people in Ontario of the importance of and inter-relationship between economic prosperity in the province of Ontario, trade, direct investment and the importance of an efficient transportation network. A third of Ontario's gross domestic product is dependent on trade with the United States, and 74% to 80% of that moves by truck. A great deal of that, in fact the vast majority of that, would be just-in-time shipments serving some very important sectors like automotive.

There are lots of reasons, I assume, for Ford's decision to close the truck plant in Oakville or to announce they will be doing that. For me, the big issue and the big concern Ontario has to address moving forward in the aftermath of September 11 is, what is the future of direct investment in some of those key industries in this province? All the auto companies—I'm sure you've heard this, or you will hear this when they come before this committee—have had to increase their inventory of supplies so they don't get caught again. There's a real cost associated with that. You can be bound and bet that when those decisions are taken in future in terms of where to source parts from, where to put direct investment, even the perception of problems at the border is going to be a very real factor.

Consequently, I think it's imperative that Ontario take a renewed and energetic look at all those areas where we can become more competitive, where we can become more efficient and where we can become more productive, because I believe we have lost some productivity as a result of September 11, and certainly we have lost the confidence of some of those US suppliers, some of those US manufacturers and customers of Ontario product as to whether they should source from here or from somewhere else.

I guess what I'm saying, in a sense—and I don't like to use the term "industrial strategy"; it's something that reminds us all of the 1970s and times like that. But I do believe we need to have a renewed and vigorous look at an industrial competitiveness strategy for Ontario that embraces not just tax and budgetary issues, but also looks at where efficiency and productivity might be impeded by antiquated, overly cumbersome regulation, where policies are developed without a broad-based strategic view of the world that takes account of why people invest in this province and what they're looking for. I would say to you that one of the great things Ontario has had going for it is its close proximity and easier access to the United States than perhaps any other market in the world. That's something I think we need to work very hard to protect, and at the same time provide infrastructure—my interest is obviously in highways and feeder roads at the municipal level into the trade corridors, but there are other forms of infrastructure as well—so that we can be competitive.

That's more of a broad-brush issue. A lot of the issues at the border of course relate to the federal regime. I don't want to get into that here, but I think there's a lot of work we can do in Ontario to make sure our economy is as competitive as it can be. We should not take anything for granted.

In terms of specific trucking measures and budgetary measures, I have but one issue to bring forward to you. Last year in the provincial budget, it was announced that Ontario was considering implementing a new way of imposing sales tax on trucks and truck equipment for multi-jurisdictional vehicles; that is, vehicles that cross either provincial or international boundaries. Indeed, on October 1, the province did introduce a new system of sales tax for that equipment. We would have preferred to see Ontario follow the lead of most other provinces, which would have been to harmonize with the federal goods and services tax or take a page out of our competitor jurisdictions in New York, Michigan and elsewhere, where truck equipment has in fact been exempted from business input taxation, much like the agricultural, manufacturing and other sectors have here in Ontario. However, Ontario was experiencing revenue leakage with the demise of the interprovincial sales tax agreement from other jurisdictions, and therefore has introduced this new system.

I'll grant you that by working with us, the new multi-jurisdictional vehicle tax has introduced some additional fairness in the system because, for example, we are now collecting tax from US carriers for the first time, and that has allowed some moderation in the tax rate for trucks in Ontario over time for some companies. It really depends on your mix of tractors, trailers and the like.

In addition, the province saw there was a matter of double taxation. Whereas trucking companies have been paying 8% upfront, they are now going to be paying on a decreasing basis year by year. So we've been provided with some credit, going back five years, for taxes already paid on existing tractors.

While the tax rate will only be applied to tractors, it included a portion for trailers and for parts, maintenance and repair labour. What the province neglected to do, however, was provide a credit for tax paid on trailers that are already in existence, where we've already paid 8%, and starting October 1 we're paying more tax again on those trailers. That's clearly double taxation. I don't think the Ministry of Finance would dispute that, and that's something that should be addressed.

1710

In addition, if you've got a fleet that operates in Ontario and into and out of other jurisdictions, it's become a real nightmare for the industry to determine how to segregate that fleet, how much tax should apply on parts, on trailers that operate in Ontario versus elsewhere. Trailers are used in both circumstances, so you've got to come up with some fair and reasonable way to segregate that. That's difficult and costly to do, not only for the industry but, I would argue, as well for the Ministry of Finance auditors. For the amount of money

we're talking here, it doesn't seem to me to be an efficient allocation of resources.

We're urging the province to make the new system apply to all vehicles—all trucks, all trucking equipment—regardless of where it operates. We think that would be fairer for everyone.

Those are my comments. I would welcome any questions.

The Chair: Thank you very much. We have approximately two and a half minutes per caucus. I'll start with Mr Phillips.

Mr Phillips: First, just a piece of information from me: a few years ago when you were presenting here, there was a fair bit of concern that US trucking companies might—at least, that's my memory—take over the trucking industry in Ontario. Has there been any trend one way or the other in that?

Mr Bradley: There has been in the last couple of years a significant increase in merger and acquisition activity in Ontario of Ontario trucking companies. At this point, as much of that activity has been other Canadian trucking companies purchasing Ontario trucking companies as there has been US activity. That doesn't mean there hasn't been any US activity, but so far that's been balanced by companies in Quebec and Manitoba buying Ontario trucking companies. I don't know if any one is better or worse than the other.

It has been a surprise to me, particularly with the dollar at 62 cents, that there hasn't been more M&A activity with US companies coming up here and buying up Ontario trucking companies. The only reason that I can put to why there hasn't been more of that is that up until the last 12 months, the US economy was doing so well that the US carriers were busy enough in their own marketplace. I think going forward we do have to be concerned about that.

But one thing that is happening in the transportation sector is that decisions in terms of who to source and who to use for your distribution needs are being made more and more in the United States, which means freight is going to US carriers whether or not the ownership is in the United States.

Mr Phillips: It looks like increasingly in the future, we may be looking at more toll roads in the province; at least those are the signals we're getting from the government. The thing I've noticed on the 407 is that there are relatively few trucks on the 407. Does your industry have a view, firstly, on the 407 situation, and secondly, is there any advice you've got for us in terms of future expansion of roads using toll roads?

Mr Bradley: First, with respect to the 407, you're right—you're not seeing many trucks on it. The reason is that it's a rip-off. Quite frankly, the owners of 407 have bluntly told us they don't really want trucks on there anyway. So they've jacked up the prices to a point where it doesn't make any sense to operate on there. I would argue that the only trucks that are operating on there for the most part are from out of province, because they can't collect the tolls from them. There's no mechanism; they

can't pull their licences, so what do they do? That's a bit disappointing.

Going forward, we wouldn't say that we've seen the last toll highway in Ontario, but I think we have to go back to when the 407 was first introduced. There were certain conditions set on the tolls that appeared in legislation and were an attempt to protect the public interest. We at the time were supportive of that, as was the Canadian automobile club, and both organizations tend to be opposed to tolling in the first place. So I think if we're going to move in that direction, we need to have some protection for the public. We need to have some conditions like that there has to be an alternative road, that the monies go to paying down the debt, ta da, ta da, ta da—those sorts of things.

But having said that—and we've got some numbers in the package that has been placed before you—we hear a lot, particularly from people who support the railways and those kinds of things, that trucks don't pay their fair share of the infrastructure, whereas the reality of it is, and the numbers are there before you and they're sourced from public documents, that the trucks are paying almost the entire portion of the provincial capital and maintenance budget for the provincial highways program, about 85%, we figure. If you include in the federal tax—and Ottawa puts nothing in—we're paying more than 100% of the costs of the provincial highway program in the province of Ontario.

So I'm not so sure that the case can always be made for toll highways, but if it is going to happen, it needs to be done a little more fairly than in the 407 situation.

Mr Christopherson: It's good to see you again. Thanks for your presentation. You've got to be careful when you're coming close to complimenting measures of the NDP government. It causes heart palpitations over in the Tory backbenches.

Mr Bradley: We're fair and equitable to everyone.

Mr Christopherson: No, I hear you. Listen, the truth shall prevail. It's just they're not cushioned for that. They're not ready to hear a business group say the NDP did something they agree with. So we've just got to be careful with these folks. They're kind of fragile.

At the risk of further frightening your members, and mine, we agree on something that the government disagrees with. You called it an industrial strategy. We've put forward and put to the minister today that the Ontario government needs to focus on a steel strategy and on an auto strategy or we're going to lose these two key fundamental drivers of our economy. So any help you can give in urging the government that this is a pragmatic, business approach and is not an ideological thing, that if we don't concentrate on steel and auto and maintain the edge we have competitively and as a huge part of our economy, we're going to lose it and we're going to lose the thousands of jobs that go with it.

Those are two comments. My question to you would be this. You've provided a chart that shows the growth in trade between Mexico, Canada and the northeastern United States, where it shows the Mexican, the green

lines, going way up in terms of their trade and ours remaining stagnant. I would take from this that the increase in the Mexican trade has not taken away Ontario business, given the fact that ours is stagnant. Is there a concern you have down the road that they will indeed continue to grow, eventually at the expense of some of our market?

Mr Bradley: No doubt. I think that's the message. Clearly, the Mexicans are starting from a smaller base, but in discussions I've had, for instance at the federal level with Industry Canada, it's just a matter of years—I can't recall exactly, but it's within the five- to 10-year period that in fact Mexico will overtake Canada as the favourite source of imports into the United States. That doesn't mean that there hasn't been export growth from Ontario, but in comparison, it's stagnating. So we're just holding our own. We've got to grow that.

I guess what's really interesting in that is—I'm not at all surprised that states like Texas and California are seeing just astronomical growth in trans-border trade with Mexico. What did surprise me was looking at New York, Michigan, Ohio, Indiana, Illinois, which are four of the five top trading states that Ontario trades with. It just so happens as well that Mexico, of course, is seeing a lot of new investment in auto manufacturing, parts manufacturing and the like. It's a commodity. That's something I think we have to be extremely, extremely aware of and concerned about.

The Chair: I'll have to go to Mr Spina.

Mr Spina: Thanks, Dave. It's good to see you again.

Mr Bradley: Likewise.

Mr Spina: Your industry covers a broad spectrum. There's no question that the automotive industry has some impact on import-exports. What breakdown do you have between cross-border business that your industry services versus internal?

Mr Bradley: About five years ago, the share of revenues to the average trucking company in Ontario from trans-border outpaced, for the first time, internal Ontario trade, because most truck shipments were short distances within municipalities, that kind of thing. But in the last 10 years that has been clearly overtaken by trans-border trucking, because Ontario now operates in a mid-continent just-in-time manufacturing sector. That's basically what we serve. So the growth has been and the majority of our revenue now—I think it's about 60% of overall industry revenue—is generated by trans-border shipments. That's clearly where the action is now.

Up until a few years ago the Ontario economy was still slow to bounce back in terms of economic recovery, so the only area where we could go for growth and to keep our business going was the United States.

1720

Mr Spina: Just to jump on a bit of what David started talking about, where the growth is still happening in terms of our import-export business with the US or our export business to the US particularly—it is growing. It just appears stagnant because it is not growing at the same rate as the business from Mexico. Is that correct?

Mr Bradley: There is such a huge market available in the United States that our share—while our exports are increasing, Mexican exports to the United States are growing exponentially.

In terms of direct investment, what that means is that when a plant locates in Ontario, an auto plant or any plant, one of the things it's looking at is the access to the US market. They're not looking to sell everything they produce in Ontario, we're just not big enough, so they're looking to the United States, and that's been a major advantage for us.

Now, with the border issues and the perceptions of the border issues, I think that's in some question, so we've got to work doubly hard to make sure we have an advantage. We can't survive just with a level playing field here in Ontario. We should have an advantage.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

ONTARIO LONG TERM CARE ASSOCIATION

The Chair: Our next presentation is from the Ontario Long Term Care Association. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Karen Sullivan: Good afternoon. My name is Karen Sullivan. I am executive director of the Ontario Long Term Care Association. With me is David Cutler, the president of our association. We would like to thank you for the opportunity to address this committee today on an important issue for our members and a critical issue for Ontario's elderly citizens and their families who need the services our members provide on behalf of the government.

OLTCA represents the private, municipal, charitable and not-for-profit operators of over 340 long-term-care facilities. These facilities provide care and accommodation services for over 34,000 elderly men and women in virtually every community in Ontario.

Long-term-care facilities are funded and regulated by and accountable to the Ministry of Health and Long-Term Care to provide 24-hour nursing and personal care services. This distinguishes us from retirement homes, assisted living and other types of services.

Long-term-care facilities are part of a publicly funded health system, much like hospitals. The major difference is that long-term care incorporates a funding partnership between the government, the resident and the provider. The government currently funds health care delivery in long-term-care facilities at approximately \$62 per resident per day. The resident contributes, on average, \$38 per day to help cover their room and board expenses. Providers contribute to facility construction, operation and management.

I now would like to quote two statistics that demonstrate how care funding is clearly inadequate to meet the needs of residents. Because care is and has been

underfunded, our sector cannot fully assist government in achieving its vision of a long-term health care system solution.

My first statistic comes from a 2001 Ministry of Health and Long-Term Care funded level-of-service study. It showed that residents in Ontario long-term-care facilities are receiving 2.04 hours of care per resident per day. This was the lowest of any jurisdiction in any Canadian, American and international jurisdiction studied. Manitoba was 25% higher and Saskatchewan 50% higher. In fact, a resident in the southern state of Mississippi received twice the amount of nursing care as a resident in a long-term-care facility in Ontario.

My second statistic is the ministry's measure of the health service and care needs of long-term-care-facility residents, called the case mix measure or CMM. Compiled on the basis of an annual survey of long-term-care facilities, the CMM charts the trend in the level of care that residents need. To the surprise of no one, it has been increasing. In 2001 the CMM went up by 2.1%. It went up by 2.1% in 2000 and 1.4% in 1999.

The level-of-service study conducted with the CMM statistics is both informative and disturbing. They point to a widening gap between needs and care and an increasing and we think unacceptable level of risk to residents, staff and facilities. In the face of chronic underfunding, the annual CMM-based funding increase only keeps us from slipping even further behind.

Let me illustrate the gap and the risk by using a typical 100-bed long-term-care facility, which is pretty typical in this province, and the government's own data. If you were in a 100-bed facility you would find that 70 of those residents are over the age of 80 and 25 over the age of 90; 95 of them wouldn't be able to get dressed on their own; 94 would require assistance to eat; 90 would be incontinent or would need assistance with using the washroom; 84 would need assistance to move about; 63 would have dementia; and 45 wouldn't be able to find their own room.

In short, most residents need staff to assist them with daily routines such as getting dressed and eating a meal as well as to provide medical care. Things like tube feedings and oxygen are very typical now in long-term-care facilities.

To put this in some perspective, our funding provides about four minutes to get these frail elderly residents I just described to you up, dressed and to the dining room each morning. In addition, the level-of-service study showed that about 10% of residents who would benefit from having physical therapy actually get it.

The above reality is played out every day in over 500 locations throughout Ontario. In the next three years there will be some 650 to 700 locations as the government's 20,000 new long-term-care beds are opened. Quite simply, this illustrates that long-term-care facilities are not funded to provide the staff, services and care to meet the needs of residents.

The underfunding is chronic and it remains despite the efforts of our association and others to raise the issue. As

a result, the care/needs gap has been widening and the impact on our grandparents, our parents and our relatives has been deepening. Long-term-care residents, staff and facilities now face unacceptable levels of risk, risks that are directly related to this chronic underfunding.

Our members and their staff have struggled, and still struggle, to provide the best possible care with insufficient resources. They have now reached the limit of their capability to stretch those resources any further.

Government is the guardian of the public interest and public trust in our health care system. In that role it has the responsibility as the primary funder of long-term-care services. We believe it is time for government to step forward in a manner consistent with this responsibility.

Our members are clearly hearing this every day from family members and caregivers. Every day they witness how government underfunding results in the needs of their loved ones not being met. This also has a physical and an emotional impact on family and caregivers. In fact, the same government data that I spoke about indicate that 45% of our family members need support from staff at least once a week, and another 10% daily.

Long-term care in Ontario is now a highly intense, demanding, stressful and risky environment. We are here today to seek the support of this committee for the solution that will address this critical issue. That solution is a government commitment to increase operating funding to long-term-care facilities by \$750 million over the next three years, with \$220 million in the 2002-03 fiscal year. This is the amount required to correct the gap identified in the level-of-service study and address increasing resident acuity in all the long-term-care beds, including the 20,000 that are opening.

For an additional government contribution, the \$220 million would turn into \$8.25 per resident per day. Our members could begin to increase the number of professional staff, personal support workers, occupational therapists and other caregivers in order to help our residents in terms of feeding, helping them move around safely and for their health and medical needs. They could also begin to make improvements to the physical environments that are needed to support increasing care requirements.

The full \$750 million over the next three years will begin to raise the levels to where Saskatchewan was in 1999. Most critically, it will also begin to reduce the now unacceptable levels of risk.

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We urge this committee to take this request forward on behalf of the residents, their caregivers, their family members, and the long-term-care staff. Our members recognize the current economic forces; they live with them every day as well. However, they cannot continue to ignore evidence that they personally witness every day, along with residents, families and staff.

As I noted earlier, the long-term-care sector has an established and accepted tradition of a resident copayment. This could be an option that government may want to consider. I would like to stress, however, that a

copayment increase can only be a small part of the solution. Government is the guardian and prime funder of long-term care, and it must provide the resources and support consistent with this role. Doing so will improve service and help governments realize a promise of a long-term-care solution.

This government has a health care vision of the right service to the right person at the right time in the right location and at the right cost. We support this vision. Further, we believe that for many currently in hospitals and in the community, we are the right location when measured against all of these criteria.

For example, increased operating funding will ensure that long-term-care facilities are able to provide the care required by patients currently trapped in hospitals, which are the highest-cost care setting in the province. This will increase the availability of existing in-patient beds, positively impact wait-lists for surgery and other acute care services and reduce the demand on emergency services.

In the last few days we again saw a story in the news of a hospital seeking to build additional beds to accommodate the demand of more surgery. We find this interesting. It doesn't coincide with adding 20,000 new long-term-care beds.

I would also point out that the benefits to emergency rooms will come not only from the availability of hospital beds; it will also come from a reduction in the number of long-term-care residents who require emergency room services, something that occurs every day in emergency rooms across the province, partly because there are not enough staff in long-term-care facilities to meet the needs.

Furthermore, adequate funding of long-term-care facilities provides a viable alternative to home and community care patients who are at risk and need 24-hour supervision.

In terms of timing, government has a real window of opportunity to do this now, a window that has never existed before. Government's much-needed capital investment to increase the capacity of long-term care is starting to happen. The 20,000 beds are opening; in fact, about one third of those beds will be open by the end of the next fiscal year. We're at about 3,200 new beds right now.

Appropriately funding new and existing long-term-care facilities will enable them to offer both the capacity and the care required to meet the needs of hospital, home and community care residents who are already waiting in the system.

We know and acknowledge that many health care provider groups indicate that if government invests in their sector, it will produce savings in other parts of the health system. We know we all do that. The difference for us is that the capacity issue has been addressed. You've addressed that, as a government. Now we need you to ensure that the government's capital investment is optimized. The added benefit of making this investment is that you will be able to actually monitor the results.

We would suggest that the long-term-care sector has the strongest and most visibly accountable framework, both financially and operationally, in all of the health care system. We all report financial data. Every year it's audited, all based on the same lines; you can compare all of it.

Honourable members, it is said that one of the barometers of a society is how it meets the needs of its elderly. This is now a critical challenge for all of us in this province. OLTC believes there is a solution, and our members are fully prepared to be part of that solution.

We stand before you today to ask you to do your part to ensure that Ontario's barometer begins to rise, while moving us toward a more effective and efficient health care delivery system. Thank you.

The Chair: Thank you very much. We have approximately a minute and a half per caucus, and I'll start with Mr Christopherson.

Mr Christopherson: Thank you for your presentation. Like good lawyers, we're not supposed to ask questions we don't already know the answers to, but I'm going to do that. You stated on page 2 that residents are receiving 2.04 hours of nursing care. Is that not down from where it was a while ago?

Ms Sullivan: There used to be, a number of years ago, a requirement to have a specific level of care in every long-term-care facility. We moved to a level-of-care funding program and that changed, so there are different levels of care. We're measured every year, and we get a score called a case mix index. Some people would be above and some people would be below. But the study that quoted the 2.04 looked at long-term-care facilities in all the different locations based on the same measurement tool, and our average was 2.04; Mississippi was just over 4.

Mr Christopherson: I gather that figure needs to be increased; that's part of what the funding is about. That number needs to go up to provide adequate service to the residents, correct?

Ms Sullivan: If additional funding was provided, some of it would go, absolutely, into the nursing envelope and you would see an increase in the care.

Mr Christopherson: Right. Now, I noticed on page 10 you talked about the benefits to emergency rooms, because you wouldn't have as many patients who needed to go in the hospital. I gather that they not only go into the emergency rooms, but they actually back up into regular hospital beds and some of them become chronic patients. I know that happens in Hamilton. We've got bed blocking, where they can't go into any other facility because the services aren't there, and yet they've got way too much service in a hospital. What else are you going to do? Therefore, they stay in hospital when they really should be in the community.

Ms Sullivan: I think we can help in two ways. Because we're adding beds, we can help get ALC patients out of hospitals. I'm not sure we can do that on \$102 a day, but with some additional funding we could take on a

number of those patients who are receiving—about \$600 to \$800 is what it costs to keep them in that type of bed. So with the capacity, you could use that, add to the \$62 investment that you make—we're saying \$8.25 in the first year—and we could get some of those people out. At the same time, if we had more staff, we'd send fewer people to emergency rooms. I'm not suggesting we'd stop doing that. If there's a reason to send someone to the hospital, we would do that.

Mr Christopherson: But your threshold would be up.

Ms Sullivan: Yes.

The Chair: Thank you very much. I have to go to the government side.

Mr Hardeman: Thank you very much for your presentation. I have a couple of short questions. First of all, the comparisons to Manitoba and Saskatchewan: do you also have the numbers to compare the percentage of population that is using their services? It's one thing to say that the level of service is higher, but is that based on the needs of their patients, going in, being higher?

Ms Sullivan: A tool called MDS was used. It is able to compare apples to apples, so it looked at residents, and there was no difference in terms of what the care requirements were. It just looked at what they got.

Mr Hardeman: Thank you. The other thing I was intrigued by—and you would also represent the home for the aged and the municipal home for the aged and where they have both residential care and long-term care in the same home. I've had the opportunity to serve on the board of one of those. I always found it interesting that I would pay the full cost of residential care in the residential care section, and then when I needed more care as a patient, I move into the long-term-care facility and my actual contribution to my own care drops significantly because it now becomes health care. Would changing that help? I think you mentioned that it would help to have a higher copayment, shall we say. Would that be able to be done, to have a different factor used for what is residential care and what is health care in a long-term-care facility?

Mr David Cutler: I don't think you can confuse the two, because in the residential facility you're serving a different type of population, as you identified, whereas in long-term care there are greater needs. So the increase of the copayment in long-term care is something that we say can happen, but it's a very small percentage of the hours that we have put before government, based on the need.

Government has always said, "We will not ask the residents to pay for their nursing and programming needs. All they will pay for is accommodation and those types of things."

Ms Sullivan: I would add that in 1993, when the two systems came together, there were 10,000 residential beds. They became long-term-care beds. So that model doesn't really exist any more.

The Chair: I have to go to the official opposition.

Mr Phillips: Just so I understand, your recommendation is that the per day or per diem, or whatever the expression is, go from \$62 to \$70.25. Is that right?

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Ms Sullivan: If you combine what the resident and what the government put in, it's between \$100 and \$102, and we are suggesting \$8.25 be added in the first year. There is a suggestion that a piece of that could be an increase in a co-pay, but it would have to be proportional. The government, we feel, should invest to increase the nursing program, and there could be potentially an increase to the co-payee for the room and board expenses, or the government could put the entire \$8.25 in.

Mr Phillips: Right. So the \$750-million cost is an annual cost after three years, is that correct?

Ms Sullivan: Right. It would increase the per diem \$25. So it's just over \$8 each year that we're looking for in a per diem, and it would go into what we call base funding. It becomes annualized.

Mr Phillips: How much of that spending goes to the 20,000 new beds?

Mr Cutler: That is pro-rated on the number of beds that are open. The government has already budgeted to pay for the 20,000 beds at today's level, so we're proposing that the \$750 million be divided among the number of beds that are open at that time.

Ms Sullivan: So pretty much it's that \$750 million divided by the 77,000 beds gets you \$25 for each of those residents.

Mr Phillips: So you've already assumed X hundred million dollars increased funding, which has nothing to do with your \$750 million.

Ms Sullivan: Right, because it's part of previous commitments when those beds were tendered and awarded.

The Chair: With that, I have to bring it to an end. On behalf of the committee, thank you very much for your presentation this afternoon.

SHERBOURNE HEALTH CENTRE

The Chair: Our next presentation will be from the Sherbourne Health Centre. I would ask the presenters to please come forward, and if you could state your names for the record. On behalf of the committee, welcome. You do have 20 minutes for your presentation.

Mr Stephen Squibb: Thank you, Mr Chairman and members of the committee, for inviting us here today. My name is Stephen Squibb. I am the chair of the board of directors of Sherbourne Health Centre. With me today is Suzanne Boggild. Suzanne is the chief executive officer of Sherbourne Health Centre.

We're both very pleased to be here today to participate in the committee's pre-budget consultation process. Let me take just a moment to give you an overview of our presentation. I'll spend the next few minutes introducing you more officially to Sherbourne Health Centre, or Sherbourne, and give you some background on what is a very exciting, new primary health care organization being planned for 333 Sherbourne Street in Toronto. I'll touch briefly on how we came to be, on some important milestones we have achieved since being created and our current status as an organization.

Suzanne will then provide you with some specific details on the health care programs and services that we've proposed be funded and delivered through Sherbourne to the local community and which serve as the basis for our ongoing discussions with the Ministry of Health and Long-Term Care. She will also tell you about the unique partnerships we have with other health care providers in the community.

We conclude by asking for your support in finalizing our negotiations with the ministry and in allocating resources to make Sherbourne an operational reality.

A package of information on Sherbourne Health Centre, including a copy of these remarks, is being circulated for your review. We'd be pleased to answer your questions at the conclusion of our remarks.

Sherbourne Health Centre is an innovative, community-based health care organization mandated to provide primary care services accessible to all residents of downtown southeast Toronto. A 15-member board of directors, the majority of whom are residents of southeast Toronto, governs the centre. As well, we have a very dedicated group of staff who have worked tirelessly over the past four years to develop the proposed programs and services and reach out to the community. Together, these committed people are working to ensure the success of our organization and the fulfillment of the government's health care vision in this part of the province.

The creation of Sherbourne Health Centre was mandated by the Health Services Restructuring Commission four years ago to fill the gaps in ambulatory care that would result from the closure of Wellesley Hospital and its outpatient programs, which took place last year.

Located at 333 Sherbourne Street, in the heart of the community, Sherbourne Health Centre will serve St James Town, Cabbagetown, the upper Jarvis and Church Streets neighbourhood, Moss Park, Regent Park and the St Lawrence neighbourhood. These six neighbourhoods house approximately 100,000 people.

We've conducted extensive research and consultations over the past four years in an effort to ensure the programs and services we offer are integrated with current health care services provided in the community and address the unmet health care needs of the community. Those consultations include working with our local councillors and our local MPP, George Smitherman, all of whom are supportive.

What we found is quite remarkable. These neighbourhoods are densely populated with a high proportion of hostels, shelter beds and rooming houses, as well as many newer immigrant groups. People with disabilities and seniors living alone reside in the area to a greater extent than elsewhere in the city. The community is also home to the largest population of gay and lesbian individuals in the country. This is a wonderful and diverse part of the city with strong communities that add much to the life of the city. Within this, however, there are many people facing disadvantages in terms of their health. Many of the neighbourhoods in the centre's catchment area have death, disability, disease, hospital-

ization and adverse birth outcome rates that are 20% to 50% higher than the city average. Despite the efforts of current service providers, the people of downtown southeast Toronto lack sufficient access to health and social services and face growing health service needs with fewer resources.

Progress toward making Sherbourne Health Centre an operational reality has been steady, but very slow. Most recently, the provincial government provided funding of \$1.6 million to begin the first phase of renovations to 333 Sherbourne Street, a decommissioned six-storey building—the former Central Hospital—right in the heart of the community, and it will be the operational home of Sherbourne.

In 2001, the Ministry of Health and Long-Term Care provided Sherbourne with funding to acquire the site and to move its administrative and planning staff into the annex of the building, paving the way for further renovation of the site that will allow us to move into service delivery.

I'm now going to ask Suzanne to provide you with specific details regarding Sherbourne's proposed programs and services plan, or functional program, which we've submitted to the Ministry of Health and Long-Term Care, and the operating and capital funding requirements needed to implement it.

Ms Suzanne Boggild: Thank you, Steve, and thank you, Mr Chairman and members of the committee, for inviting us here today. I believe the provincial government showed great foresight in establishing Sherbourne Health Centre, and I'd like to share with you the programs and services we believe are required to achieve the government's goal.

We have submitted, as Steve said, a functional program to the Ministry of Health and Long-Term Care. In fact, we've been discussing that with the staff of the Ministry of Health and Long-Term Care for over a year and are currently on the fourth edition of that functional program.

Notwithstanding the frustration associated with the slow progress of these discussions, we are still negotiating with the Ministry of Health to reach final approval and funding for our functional program. But as Steve says, this has the full support of the community and of the opposition members and we believe the sooner we could receive final approvals for service delivery and for renovations to the building we own at 333 Sherbourne Street, the sooner we'd be able to offer local residents the primary care they need and which we believe is a goal of the government in terms of primary care reform and alleviating some of the current burdens on the health care system.

The functional program that is under discussion is, we believe, a very innovative blend of primary care services that are tried and true in other municipalities, other jurisdictions. Just briefly, the functional program includes an extended-hours primary care response centre. It also includes primary health care for the lesbian-gay community, as Steve mentioned. Mental health services

are badly needed in the urban core, as many folks in the area have mental health issues. Mobile outreach services will reach the homeless and underhoused and people living in the shelters and rooming houses. In addition, an infirmary for homeless people to receive short-term home care is included in the functional program.

Our extensive community consultations clearly indicate that access to primary care with extended hours is the top priority for the community. We propose an immediate-care, seven-day-a-week, 18-hour-a-day centre where doctors, nurse practitioners and other health professionals will serve the community.

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You can imagine how this would help alleviate the burden on the crowded emergency rooms and remove many of the barriers to access to primary care experienced by people, particularly people in urban areas. The model we are proposing has been shown to be highly effective in Calgary and in many other areas across the country, particularly in downtown areas like the one we'll serve in southeast Toronto.

Our program and service plan also includes Toronto's first primary health program for lesbian, gay, bisexual, transgendered and transsexual communities. Our goal is to develop a centre of excellence in this area that provides wellness and preventive care, safe-sex and health education, psychological support and counselling in an appropriate manner. Again, programs of these kinds exist in other North American cities, and we're eager to achieve the same positive outcomes that those cities have achieved here in Toronto.

Mental health services will complement our programs as well. Outreach and on-site services will be provided for people in the community with emotional and psychiatric issues. We are developing a framework where culturally competent, interdisciplinary care, with flexible hours to meet client needs, will be based on needs of the population and the patterns of use. We believe there is a strong gap in mental health services in downtown Toronto.

Similarly, all our consultations have shown that there is a great need to reach out to the homeless and underhoused, and we would like to develop mobile outreach services. Once our operational funding is confirmed, we will begin operating the former Wellesley Health Bus. Some of you may have seen this bus as it drives around Toronto providing nursing care, health education and counselling for people who live in the streets or in shelters and rooming houses. I've been out on the bus. It's a phenomenal program. It is also a great example of a public-private partnership, because the actual bus was purchased by the Rotary Club of Toronto, and most of the nursing care is provided by volunteer nurses. What is particularly striking is that over the last year, visits to the bus increased by 10%, so that the bus now serves 14,000 visits a year right out of a Winnebago-style bus.

To complement that mobile service, we are prepared to develop an on-site infirmary for recuperative care. You may ask, "What is this?" We in this room may all receive

home care at home, but if you're living in a shelter or in a rooming house or on a grate in the street, there's nowhere for you to receive home care. As you know, over the last few years there's been a big increase in moving care out into the community and into people's homes. That's fine if you have a home. If you don't have a home, where do you receive care before hospital, after hospital? In many cases now you don't, so we want to develop an infirmary where people who are underhoused could have a temporary home and get that service.

In fact, models of infirmaries like this have existed for over 15 years in the United States. We've contacted people who run these infirmaries in Boston, Chicago and New York and believe they are tremendous models. The model builds on the mayor's homelessness task force and the well-known Anne Golden report. The city is fully behind the infirmary development and in fact has allocated some seed money for the initiative.

We want to develop our services in partnership with others, and that's what we feel our real value proposition is: that we would build on what already exists, creating partnerships on both a public and private basis to fill the gaps in services. Some of the examples of how we've done that already: we have on-site with us the Canadian Memorial Chiropractic College and are working on a program with them to serve the local community. We also have located on our site the Tamil seniors' wellness program that has been running out of St James Town to reach isolated Tamil seniors; and also a Canadian working group on HIV and AIDS. We want to work together with others, fill the gaps in service and get into service delivery.

What we need to achieve this innovative and cost-effective model for addressing the health needs we've indicated is operating funding and capital funding. As Steve mentioned, we have the building already and thank you for that. The centre was created four years ago. The Wellesley hospital is now closed and its outpatient programs are gone but the Sherbourne Health Centre is still not operational. What we would ask members of the committee and, through the committee, the Minister of Finance is to support our recommended plan for programs and services and to allocate the necessary funds in the coming fiscal year to make the centre a reality.

We are currently finalizing the detailed costing and estimates for our operating capital budgets and we have been discussing these estimates for some time with the Ministry of Health and Long-Term Care. Our capital funding requirements are currently estimated at \$25 million to complete renovations of the building. The building has been unoccupied for six years, so it needs building upgrades. It was initially built in the 1960s and has not had much capital investment since that time.

In terms of operating funding, we are seeking \$3.5 million for the coming fiscal year to begin initial service delivery, to get the bus going and to continue with our other programs. Our final operating budget that is under discussion currently with the Ministry of Health and Long-Term Care is between \$6 million and \$9 million.

With these funds, we believe the return on the government's investment will be great in terms of improved health care for the local community and quality of life for its residents. We are proposing programs for which there is a demonstrated and well-supported community need and we are proposing service delivery models with proven effectiveness.

In closing, we'd like to thank you again for the opportunity to speak with you today. We would invite all members of the Legislative Assembly, and in particular the members of this committee, to visit the Sherbourne Health Centre to learn more about the community and the urgent health needs that exist in the communities and to learn more about the associated human and economic benefits that will accrue through your investment in the Sherbourne Health Centre.

Thank you again for the opportunity to address you. We look forward to taking questions.

The Chair: Thank you very much. They'll have to be brief, about a minute per caucus. I'll start with the government side.

Mr Spina: Thank you for your presentation. It sounds like a wonderful project. I just wanted to clarify the status you're at now, and that is that you've received funding, obviously, for the acquisition of the building and I guess for the preparation of the operational plan. Is that correct? And you've submitted the operations plan to the ministry?

Ms Boggild: Yes. We have an operating budget in front of the Ministry of Health now. What we've received in the past have just been one-time start-up and planning dollars.

Mr Spina: How long has that been before the Ministry of Health?

Ms Boggild: We've been discussing the functional program which forms the basis of the operating plan since a year ago December. We first submitted a functional program to them over a year ago.

Mr Spina: Now, is it just sitting there or have you had dialogue back and forth?

Ms Boggild: It's been sitting there at some times but we've had dialogue back and forth. But certainly the dialogue has not been as rapid, as conclusive as we'd like, obviously. The process has been quite frustrating.

Mr Spina: But basically do you feel that they have all the information they need to move forward?

Ms Boggild: Absolutely. I believe they've had all the information for a long time. There has been a lot of work put into this. I don't really know why it's not moving forward faster.

Mr George Smitherman (Toronto Centre-Rosedale): Ms Boggild, you use the words "steady but very slow" to describe the progress which, from where I'm sitting, looks terrible. If you were only allowed one word to describe the progress on this file, what would it be?

Ms Boggild: Frustrating; I would say very frustrating.

Mr Smitherman: The present proposal doesn't exactly reflect what the Health Services Restructuring Commission originally envisioned for Sherbourne. It

seems to me from recollection that the ministry has often changed exactly what it was that they asked. Is there a consistent trend whereby what you give to them in answer to their questions is then followed up with a series of questions from them that take you on another path, or has there been a settled sense of what the plan would be for a while now? Do you understand the question? It's a bit convoluted.

Mr Squibb: Can I just add something? There have been meetings that we've walked away from believing that we had reached agreement, and subsequently learned that in fact the agreement wasn't there, that something had changed.

Ms Boggild: I think what's been frustrating is that we believe that the proposal we have and the original vision of the restructuring commission, and before that the Metropolitan Toronto District Health Council, was for a primary care resource in the community, and that need has, if anything, increased in the community. What has been frustrating for us is that although that's a government direction, the Ministry of Health does not seem to have been able to move that forward at a rate one would expect.

Mr Christopherson: Thank you for your presentation. I congratulate you on your vision and tenacity. I have just one question. Obviously, a lot of this is predicated on the street life. The current Minister of Finance

has said that if he becomes Premier, he wants to pass a law making it illegal to be homeless. Number one, I wouldn't mind your thoughts on that. I recognize that you're someone who's hoping to do business with the government, so I'm not looking for a great flourish of rhetorical comment, but I would like your thoughts on it. Second, if that indeed did happen, as weird and horrible as that likely would be, how do you see that affecting your plans? My first-blush reaction is that it just takes the whole thing and tips it upside down.

Mr Squibb: I'd like to say first of all that I don't know how practical it is to make living on the street illegal. I guess all that does is transfer a lot of cost to the jail system. But I need to remind you that there are many, many more people in our communities whom we intend to serve than there are homeless people. That's a small percentage of our community.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Ms Boggild: Thank you very much for your time.

The Chair: I would point out to the committee that tomorrow morning we will be meeting in committee room 1 because this room is going to be used by public accounts all day tomorrow. This committee now stands adjourned until 10 o'clock tomorrow morning.

The committee adjourned at 1802.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Second Session, 37th Parliament

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(Hansard)**

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Jeudi 28 février 2002

**Standing committee on
Finance and economic affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

**Chair: Marcel Beaubien
Clerk: Susan Sourial**

**Président : Marcel Beaubien
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 28 February 2002

Jeudi 28 février 2002

The committee met at 1001 in committee room 1.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Marcel Beaubien): Good morning, everyone. I'd like to bring the standing committee on finance and economic affairs to order. I don't have any announcements, unless anyone has got anything to put on the floor this morning.

CANADIAN MANUFACTURERS
AND EXPORTERS

The Chair: Our first presentation this morning will be from the Canadian Manufacturers and Exporters. I would ask the presenters if you could come forward and state your names for the record, please. On behalf of the committee, welcome. You have one hour for your presentation this morning.

Mr Ian Howcroft: Good morning. My name is Ian Howcroft and I'm vice-president, Canadian Manufacturers and Exporters, for the Ontario division. With me is John Allinotte. John is director of corporate taxation for Dofasco and he's also chair of CME's taxation committee. On your attendance list we also had shown Joanne McGovern, but unfortunately, Joanne is ill and won't be able to join us this morning. But we do appreciate the opportunity to be here and we will be following up with written comments and a formalized brief after our presentation today.

Canadian Manufacturers and Exporters is the voice of the province's manufacturers and exporters. Our member companies account for over 75% of total manufacturing output in the province and they produce approximately 90% of Ontario's exports. We're a unique organization. We are a horizontal organization with membership that encompasses all sectors of manufacturing and all regions of the country. It's also important to note that the majority of our members are from small and medium-sized enterprises. It's not just the large companies that are members of CME.

Our tax committee has identified and prioritized several key areas in Ontario's tax system that are necessary for the government to pursue in order to help build a healthy economy and an improved competitive climate. This is even more important given the current economic slowdown that we continue to experience and foresee for the medium term.

We've divided our tax reform recommendations into two sections: targeted tax reform, and we've also included some important non-direct tax recommendations to address issues such as the skills shortage, innovation and productivity, infrastructure, the new electricity market and national environmental policy implications, particularly relating to the recent discussions on Kyoto. In our written brief, we will also be providing some comments with regard to tax administration matters, but we won't be talking about them specifically this morning.

To provide some overall context for CME's budget recommendations for 2002, we'll provide a brief review of the previous 2000 and 2001 Ontario budgets in our written submission. We have positioned our recommendations this year accordingly. Before I address the budget issues, which John will deal with in more detail, I'd like to make a few comments with regard to CME and our priority issues.

About 10 years ago, many were ready to write off the manufacturing sector. It was viewed as an old economy and not one with a future. Those people were wrong. Manufacturing is still the engine that drives the economy. I'll be the first to admit that things are far different today then they were five or 10 years ago, but to paraphrase Mark Twain, those who proclaimed the death knell of the manufacturing sector were somewhat premature, if not outright wrong.

In Ontario alone over a million people are directly employed in the manufacturing sector and almost two million more people have jobs directly dependent on the manufacturing sector. Manufacturers directly account for about 22% of Canada's GDP and drive slightly more than half of all economic activity in the country. Canada's manufacturers offer mostly full-time jobs at wage rates approximately 25% higher than the national average. Manufacturing accounts for 75% of private sector research and development in Canada and about 30% of all business investment that's made annually. Manufactured goods account for about 70% of Canada's total exports of goods and services.

Last year, CME's board of directors highlighted several key priority issues that we as an organization would focus on, and they continue to be our priority issues this year. They included taxation, environmental issues—again particularly relating to climate change and the Kyoto Protocol that's been much discussed lately—trade and customs issues, and skills issues and other

human resource issues that continue to be a priority for us, including health and safety, occupational issues and workers' compensation. The final issue is the broad issue of innovation, which encompasses many of these issues, particularly skills.

Our issues didn't really change with the tragic events of September 11. Rather, the issues we chose to focus on became even and more pressing for us to pursue and work to deliver solutions for. Everyone here will recall the tie-ups at the border that brought trade to a halt. Canada is a nation that depends on trade more than almost any other country in the world: 87% of our trade goes to the United States—over \$1 billion a day, and that's in real dollars, US dollars. CME took the lead on this issue and created a coalition of business organizations to work with the governments to develop strategies and solutions. Much has been recently discussed on innovation, another one of our key priorities, and I would like to highlight some of those points because they directly relate to the tax policy in Ontario and Canada.

Our intent was to set a framework to move discussions forward. It didn't contain all the answers, but our recent paper, which I brought copies of—The Business Case for Innovation—productively helped to outline the debate on innovation. So I'll leave these with the clerk of the committee for your ready reference.

I'd like to say why the innovation agenda is essential for Canada and for Canadians. We're experiencing a serious productivity gap with our main competitors, particularly those of the G7 and especially with the United States, our largest trading partner, as I noted. The world today is in the midst of a powerful upheaval brought on by internationalization and the intensification of global competition, and we're in danger of losing because of our failure to keep on top of the new global economic realities. The irony of this is that, on the one hand, there is almost complete agreement among Canadians that we face a major task in significantly improving the ability of our country and our industries to improve our productivity and innovative capabilities and compete around the world. Taking actions to improve our global competitiveness remains highly contentious. There is little consensus on how these goals should be reached and there now exists the danger that the issue could become politicized.

We wanted to provide this context before we talked about the significant tax issues that we feel need to be addressed, because you can't approach government policy in silos. We've done that in the past, I think, too much. We have to better coordinate our efforts between what one ministry and one organization are doing. As I mentioned, the skills issue is inextricably linked to the innovation issue and they're both tied to Ontario's fiscal tax and government policy.

I also just wanted to highlight the importance we're placing on the energy issue. We do support market opening. There has been some media attention to this issue recently and we thought we should clarify this for the finance and economic affairs committee. While we do

support market opening and we also support competition, there are certain steps that have to be taken to ensure that we have true competition to make sure that when the market does open that we do have a viable and ongoing market.

We also want to do what we can to promote manufacturing. Manufacturing still has a negative image in many people's minds, notwithstanding that it's still the economic force that drives the economy. What we need to do is create opportunities for young people to understand the need to support manufacturing. We're looking for ways to partner and work with government to raise the profile of the manufacturing sector and to raise the profile of careers in manufacturing, particularly in the skilled trades. As many of you are aware, we will experience through demographics a major outflow of employees over the next 10 to 15 years. In fact, by 2020, 50% of those working in Ontario will leave the workplace and there's not the pool of skilled workers to fill those positions. That will leave us, when the economy picks up, in a very difficult position if we want to continue to maintain the standard of living we have.

So these are real issues that we have to deal with and, again, they're tied to Ontario's tax policy. We feel that we need to support tax measures through incentives in other areas that will allow for more people to train, to recognize those that do train and to create more of an incentive for those to continue to positively train Ontario's youth for the future.

We just wanted to provide those comments to set the context for the specific recommendations we're going to make with regard to the pre-budget. I'll turn over to John Allinotte to talk about some of those recommendations.

1010

Mr John Allinotte: Thank you very much, Ian. Mr Chairman and committee members, I appreciate the opportunity to be here today to highlight for you some of the CME issues with regard to tax legislation, tax policy in the province of Ontario.

First of all, we would commend the government, particularly in the last budget, having announced the proposed reduction in corporate tax rates in this province from 15.5% down to 8%. It was viewed by the business community as a welcome sign that Ontario is open for business. In the last budget the timetable was brought forward and that was one of the issues that CME had discussed on many occasions, and doing that has added a lot of certainty in business planning into the future. Consequently, I think we've already started to feel some of the economic effect. Even though we haven't seen the cash reductions in our taxes, we certainly have seen an opportunity to look forward.

We have several recommendations with regard to targeted tax reforms. One thing I would put before the committee is that we appreciate the fact that there is an economic downturn in the province, in this country and in fact across the world. Some of these proposals are policy-driven, and also there is a certain amount of perception by the outside world, outside of Canada and

outside of Ontario, that some of the tax policies in Ontario discourage investment in Ontario, and a lot of times it's just a perception.

Some of the issues that we would like to bring forward to you are specifically in the areas of debt reduction—though not a specific tax reduction, it is an area we are concerned about; capital tax; the capital cost recovery system in the province of Ontario; and the corporate minimum tax.

Regarding debt reduction, although, as I say, it is not a targeted tax reduction, this government has over the past few years been reducing the debt in Ontario. CME certainly supports those efforts. I think that we have mortgaged quite a bit of our future through increasing the debt and we certainly encourage you to continue to reduce it. Along with targeted tax reductions, we also suggested expenditures. Are you getting value for the dollars that you are spending on the programs? This should be encouraged to be reviewed.

In the area of capital tax, in the 2001 budget the government made a commitment to begin eliminating the investment-unfriendly capital tax. The first measure introduced in 2001 was to increase the taxation threshold to \$5 million, from its current \$2 million, of capital tax. This immediately assisted a very limited percentage of small businesses, primarily in the retail, commercial or service sectors. Due to the capital-intensive nature of the manufacturing sector, this small threshold movement did not assist the manufacturing sector at all.

Therefore, CME strongly encourages the government to take the next step and legislate the full elimination of the capital tax quickly and completely so that Ontario business can benefit. The government must recognize that it is the manufacturers and exporters that are most negatively impacted by this tax, due to the fact that the tax acts as a direct deterrent to the investment necessary to increase Ontario's productivity. As mentioned, many of the OECD studies consistently illustrate the direct relationship between productivity losses and the lack of capital investment.

Furthermore, the very nature of capital tax as a regressive tax, a fixed cost and a punitive measure, is completely at odds with the overall message of the Ontario government. This is one of the points from a perception standpoint. Our counterparts in the United States—none of the states have capital taxes. You are penalizing people for investing hard assets in your jurisdiction. When our friends south of the border look to Canada and do the equations as to what the after-tax return is going to be, capital tax certainly becomes a part of that calculation. The fact that you can lower the effective tax rate or the corporate tax rate is one measure, but when you add on our capital tax you take us back to a level that is equal to or sometimes greater than that of our counterparts south of the border. It's a serious consideration for Ontario.

Also I would point out that your counterparts in the province of Alberta and in the province of BC are in the process of either repealing their capital tax legislation or,

alternatively, have already repealed it. They have recognized what capital tax is doing. So from CME's position, we strongly recommend that you take a look at it. You don't have to take it all out in one year, but you should certainly make a move to encourage the reduction of it.

Capital recovery system: the capital cost allowance—CCA—system in Ontario was comparatively advantageous to CME members up until the late 1980s or early 1990s. However, the current system no longer provides benefits to capital-intensive industries such as the manufacturers and exporters sector from accelerated CCA rates.

I can take you back to the early 1970s when Ontario had put in major accelerated write-off rates. There were billions of dollars spent in this province on hard capital assets that are still here today and are still producing for our economy, and that was partially driven by the accelerated write-off in the CCA. Take a look at it.

The tax measures to enhance the capital recovery system we believe would result in increased employment and a greater economic growth in Ontario. This can be evidenced only by looking at the province of Quebec, which offers manufacturing and processing capital assets a 125% CCA write-off in the year that they're acquired.

We recommend that the government introduce a capital recovery allowance for new production machinery. This would be similar to the former Ontario current cost adjustment, which was repealed by the previous Ontario government.

As an alternative option, we recommend at minimum that production machinery be granted a two-year write-off through the existing CCA system. This was in place in Ontario in 1972 and was removed in 1987. Hence, we recommend that the capital cost recovery system introduce an allowance such as the former current cost adjustment or at a minimum introduce an accelerated write-off for new manufacturing equipment.

Corporate minimum tax: this again goes back to the perceived tax policy in this province by outsiders. A minimum tax is only paid when you're not making any money, which doesn't make an awful lot of sense. Companies that aren't making any money can't afford to pay a minimum tax.

CME continues to view the corporate minimum tax as a strong disincentive to potential industrial investors in Ontario. This tax is a clear disincentive to investment in the province of Ontario.

The corporate minimum tax raises little revenue except during economic downturns such as Ontario manufacturers and exporters experienced in 2001 and 2002. It is a nuisance tax. It is a strong disincentive to potential industrial investors in the province. The tax sends a negative message to those who make the corporate investment decisions. Ontario should abolish the corporate minimum tax because it is a highly visible disincentive to investment.

On the administration side, and as a tax administrator for many years, we have always found that we spend too many dollars having to administer a tax system. The

members of CME continue to rank the administrative compliance burden of taxes, in general and in Ontario in particular, as a continuing increase to their costs. The following recommendations are administrative in nature. We encourage the government to consider these recommendations in order to improve the effectiveness of the existing tax system.

Value-added sales tax: let me just go offside here and say that one of the things that business encouraged this government, the previous finance minister in this province and several before him, is that we should have only one direct taxation system. We have encouraged Ontario to harmonize with the federal sales tax system. We go into Europe and that is the way taxes are levied on direct purchases.

1020

As an alternative to harmonizing with your friends in Ottawa, CME believes that the government of Ontario should replace their Ontario retail sales tax with an Ontario value-added tax, a VAT tax. The introduction of a VAT will improve the overall domestic and export competitiveness of industry in the province. The current sales tax situation not only weakens the competitiveness of Ontario goods in the domestic market, but also in export markets against those competitors located in jurisdictions that have a value-added tax. Implementation of a VAT would also have the secondary benefit of simplifying compliance and administrative requirements due to its alignment with the existing federal goods and services tax, which is also a VAT. So we strongly recommend that you take a look at it. It can be structured in a manner that it probably will not cost Ontario any dollars, but it would be much easier to administer. It would put the manufacturers that export goods out of this country on an even playing field with our competition—and we do have competition outside the province of Ontario.

Municipal and property taxes: as someone who was involved in the 1970 changes that were made in this province when they moved the assessment process from the municipalities to the province and all the promises of fair value taxation, I was greatly encouraged in 1997 when I heard that we were going to fair market value assessment. We got the legislation. The previous legislation, I believe, came before this committee and before this House in 1971 and every year it was stayed; it was never brought forward. There's something to say for that. In 1997 we were encouraged when we heard about fair market value assessment, particularly for the commercial industries in this province. Property tax continues to be a key factor in the production allocation decisions at companies that CME represents. Government must continue with meaningful reform of the property tax system to fix the current problems and provide a municipal tax system that is simple, competitive and predictable.

Although numerous government efforts have been undertaken to address these inequities, an unfair and unequal tax burden persists. Businesses in Ontario have been waiting since 1970 for the inequities within this

system to be eliminated. Don't you think it's time that we did something about it?

The industrial and commercial assessment classes in Ontario continue to pay a disproportionate share of property taxes relative to the residential class. This differential has averaged 235% higher for commercial properties and 350% higher for industrial properties.

In addition, CME continues to have concern with the capping provisions. We encourage the government to eliminate the requirement that tax reductions be used to fund capping of tax increases and address the overall increased tax burden on industrial and commercial properties.

Furthermore, in order to stimulate investment in Ontario, the province should require all municipalities to reach the provincial bands of fairness ranges within five years.

There is one other issue of administration that has been a burden to many of the large manufacturers and exporters in Ontario that do research and development. The superallowance, the R&D allowance that is provided in the province of Ontario, is working well. There are a lot of research dollars spent in this province. With respect to the administration of the Ontario superallowance, CME members believe that the allowance is complex for the taxpayer to calculate and difficult for the Ministry of Finance to administer. These difficulties could be addressed by changing the superallowance into a single-rate, non-incremental allowance, while simultaneously making the allowance rate effective so that the full benefit flows through to the members. Again, that won't cost the government any more. It will certainly take a lot of time out of my staff's hours; we can do some other productive work. We're still trying to sort out our 1991 superallowance with the staff of the Ontario Ministry of Finance.

Thank you very much.

The Chair: That completes your presentation?

Mr Howcroft: Yes, it does.

The Chair: We have approximately 11 minutes per caucus.

Mr Gerry Phillips (Scarborough-Agincourt): Thank you very much. Mr Howcroft, I thought you mentioned that we were going to hear something on the tax side for employees. I'm not sure whether I heard that or not, for training.

Mr Howcroft: It will be part of our written submission, just to have a more workable tax incentive system for training, to better reward employers who train and as a further incentive to do more training. The skills issue is one of our key priorities, as I mentioned, and with the demographics and the skills shortage we're currently experiencing, even in a slow economy, it's going to get worse. So we want to have a tax policy that better supports and promotes skills training.

Mr Phillips: One of the challenges we all face is trying to balance priorities and where we have our competitive edge. On the corporate tax front, the numbers we have say that corporate income taxes are now at roughly

30% for manufacturing, and for our competitors they're at roughly 40%, our competitors being Michigan, Ohio and New York. Do we need to have corporate taxes seven percentage points lower than New York and Illinois for our manufacturers to compete?

Mr Allinotte: The statutory rates are—I would argue with 40%.

Mr Phillips: That's what the government presented to us yesterday.

Mr Allinotte: I would have to see the basis of it.

Mr Phillips: What number do you use?

Mr Allinotte: We look at something in the range of 33%.

Mr Phillips: Really? For the US?

Mr Allinotte: For the US.

Mr Phillips: That would be interesting information for the committee.

Mr Allinotte: The federal tax rate in the US is 35%, its statutory rate. You mentioned Michigan. Michigan does not apply an income tax. Michigan has a system called a Michigan single business tax, which is virtually a franchise tax, which I would point out to you is deductible for federal income tax purposes in the US. So you can't just add the two rates together. Consequently, if you look at a manufacturer in the state of Michigan who is paying a 2.25% franchise tax and a 33% federal income tax, and you take the Michigan single business tax as being deductible, that ends up as something just short of about a 34.3% or 34.5% effective statutory rate. Combined with that are, naturally, all the differences between their accounting income deductions and their book income deductions. So I would start with a rate, for argument's sake, somewhere between 33% and 35% in the US.

Mr Phillips: Really? We have completely different information than you, which shows it at 40%. I would like to see those numbers, because just yesterday they spelled it out, the state rates and the federal rates. I'm sure the manufacturing association can give us those numbers.

Mr Allinotte: Most definitely. I would refer you to a report that was published by some of our associates from the Conference Board of Canada who did a comparison on four or five major industries, all of which have counterparts here in Ontario, with states such as Michigan and Ohio. I can't say for sure with regard to New York.

Mr Phillips: We have completely different information, then, in the numbers that have been presented to us. By the way, I've seen these numbers broadly used, suggesting that the corporate tax rates in the US are roughly 7% to 8% state-wide, and federally 35%.

Mr Allinotte: I would point out to you that if that study is showing a Canadian federal tax rate for manufacturers of 21% and hasn't factored in the large corporation tax, that takes it to an effective rate of something close to 25% at the federal rate.

Mr Phillips: Maybe that's in your report to us, then. What differential do you think we need to compete here

in Ontario? How much lower do our corporate taxes have to be?

1030

Mr Allinotte: The combined statutory income tax rate that we will eventually have here in Ontario will be 29%: 21% at the federal level and an 8% rate here in Ontario. That presumably will be an acceptable, effective rate. However, when you start adding in the capital tax at the provincial level, the capital tax at the federal level and the surtaxes at the federal level on corporations, our rate will be somewhere between 35% and 37%—all rates in, a statutory effective rate.

Mr Phillips: I'm looking forward to your report on that. That will be very good. Are you therefore saying that because there are capital taxes, we should have lower corporate income taxes?

Mr Allinotte: You should have one or the other.

Mr Phillips: What would you suggest to us?

Mr Allinotte: One of the things that happens is that when you have a non-Ontarian doing a financial after-tax analysis of an investment in Ontario, the thing that keeps coming up is that in the first four or five years in a start-up operation they don't make a dime of profit but, depending on the size of the organization, they may be paying out \$6 million, \$7 million, \$8 million in capital taxes.

Mr Phillips: But you see, the challenge for us is, your recommendation is to have corporate taxes at 29% and eliminate the capital tax. I'm just saying, what is your priority? What is the Canadian Manufacturers and Exporters' priority here for us?

Mr Allinotte: The priority from this standpoint is to eliminate capital taxes.

Mr Phillips: As opposed to reducing further corporate income tax?

Mr Allinotte: Well, we certainly hope that you would go forward with the reductions that have been announced.

Mr Phillips: OK, that's useful.

Mr Howcroft: We do recognize that there are challenges and priorities and balances that have to be made, particularly in the economy that we've experienced lately, but what we want to do is try and have a system and an environment here in Ontario that are attractive to investment, to both retain and bring in new investment.

Mr Phillips: Should our goal be to have taxes that are competitive with or equal to our major competitors? Should that be what we're targeting?

Mr Howcroft: I think at a minimum we have to have tax rates that are competitive with our major competing jurisdictions. What we want to do is have a system that attracts investment, retains investment and helps foster economic growth that benefits the province and ultimately benefits the revenues that we all need for the programs, the education and health care that Ontarians are all concerned about.

Mr Allinotte: If I may just point out to you, Mr Phillips, your comparisons are to the US. As you are well aware, for the steel industry—I can speak of that—and

for the major part of our manufacturing and exporting members our competition isn't coming from the US; our competition is the world. There are a lot of tax jurisdictions across this world that don't pay any income taxes on exported goods. Does your study show that?

Mr Phillips: This is the government's study. I rely on the government to give us accurate information, that's all. It's not my study. The government's document here says that US manufacturers pay on average more than \$3,100 per employee for the kind of health care coverage provided by Canada's publicly supported system, whereas Ontario employers pay about \$540 per employee; in other words, about a \$2,500 per employee cost advantage in the way we fund health care. We've chosen to do it through taxation and whatnot.

Again, this isn't my study, this is the government's study, just to put you at ease. Is that reality? Is it \$2,500 cheaper per employee to provide health care coverage than it is in the US?

Mr Allinotte: I can't comment on that.

Mr Howcroft: I don't have the exact numbers, but the health care system in Ontario does give us a competitive advantage in that area from what companies have to pay for similar coverage in the United States. When companies are making their investment decisions, that's certainly an important factor that they look at. What they look at, though, is the whole amalgam of all these tax issues: the health care costs, the tax costs, the labour rights etc, and that's what they make their decisions on. We have to also look at that. We want to make sure we have a competitive tax rate that encourages that investment. We do have some advantages with regard to health care and we want to maintain a strong health care system in Ontario.

Mr David Christopherson (Hamilton West): Thank you for your presentation. My apologies for missing the initial part.

Last night the news reported that the German economy has now fallen into technical recession; Japan is in their third recession in a decade; the British economy is extremely soft and maybe also heading for technical recession status. What's it going to take? This week there have been some indicators: Greenspan's comments yesterday; everybody sort of went over the top. I heard his comments. I didn't think he was all that positive. He watches his words more carefully than we do and they certainly have greater weight. But I didn't sense from him that he was announcing that all the bad times are over and it's full steam ahead. He's acknowledging there are a few good indicators, but the word "risk" is still in there, writ large in his comments.

You talked about the world, and obviously there are your markets. How much of a turnaround does the Canadian manufacturing part of our economy have to see in these major economies around the world before we are truly back on the same footing we assumed we were on 18 months ago?

Mr Howcroft: We're quite cautious in our forecast as to what we expect. We don't expect significant growth in

2002. We're hoping things will pick up by the third or fourth quarter of 2002 and hopefully we'll have more significant growth in 2003. We compete among the world with those other economies, but the reality is that most of our products go to the United States, so we're more closely tied with the economy of the United States; 87% of our exports go there. So it depends on what happens in the United States. Until we see pickup there, we're not going to see major improvements in Ontario. We're hopeful; we listened to Mr Greenspan as well and hope for more encouraging comments, but we're still concerned as to how things will proceed for the rest of this year.

Mr Christopherson: By extension, of course, the American economy, then, if you want to shift the focus from ours to theirs, because there's a lot of reality in that: it would seem to me that they still need to have these other economies that they trade with take off. There's only so much you can do with the world economy when the second-largest economy in the world, Japan, remains mired in a decade of recession. And now Germany, the engine of the European economy, is technically in recession and the British economy has gone so soft. So it would just seem to me that at some point those economies have to turn around before the North American economy, let's call it, can pick up. Is that fairly accurate, or are they self-contained enough that they can really do well and these other economies can still stay mired in recession?

Mr Allinotte: I don't believe that the European markets—they are softening, and the Japanese economy, as you say, for a decade has been going the wrong way with negative growth, I think in the last eight or nine years, which has not had a major impact on the North American economies.

One of the things I can tell you from our industry's perspective, and I think it's true of all our manufacturing, is that as the European or offshore economies start to find that they are softening, they then turn to the North American market for shipment of their products which they can't sell in their own home markets and consequently bring into this country. We in the steel industry have been devastated by dumping action by these economies that are starting to weaken themselves. We would sooner see them going full blast because, if that's the case, then we don't have to compete against dumped steel in this country.

Where do we see them going? We are very cautious in our projections. I think the last projection was 1.5% to 2% growth for the economy in Canada in 2002. I think Mr Greenspan was talking 2.5% to 3%. That's kind of aggressive from our vantage point, but maybe he's right; I can't tell. A weak economy, not for a long term but a short term, in the European markets can affect us here even though we have some strong growth. That's from our vantage point.

1040

Mr Christopherson: Given that you've mentioned steel a couple of times—I'm from the steel town of

Hamilton and we had the auto industry in yesterday. There was a major presentation on the auto industry and the impact of the restructuring that's happening there: the job losses; the manufacturing job losses at that. How do you feel about the idea of saying, given the current economy around these two areas, that the provincial and arguably the federal government have an obligation to put together a made-in-Ontario steel strategy, and the same with auto, so that we're focusing on these two areas given their critical importance to our economy, not for the sole purpose of necessarily putting money in, although I'm sure that would be a part of it, but that's not the sole purpose. The sole purpose would be to bring to bear all the advantages we have in this province and in this country, focus government assistance on it, working with the industry, working with the unions that represent the workers there, so that we're maximizing our ability to be competitive. Does that make any kind of sense to you or do you think that's the wrong way to go?

Mr Allinotte: I think any participation between the governments, the provincial and the senior level, working with industry is beneficial. It's beneficial to the industries, it's beneficial to our employees and it's beneficial to the residents of this country.

We would caution any thoughts of putting money into industry. Our friends south of the border, particularly in the steel industry, are lobbying their government to do that. That would make us very uncompetitive. I don't think we would encourage you to invest money. Anything that can be done to assist us in the training aspect of it; some of these disincentive tax measures and policies that discourage us from putting investments in this country and also discourage others to come in and invest in Ontario or in Canada in general—we shouldn't have policies like that. We are a very small portion of the North American economy. Let's face it, the dog is south of us, we're just on the tail end of it, so let's not fool ourselves here. We need investment in this country and we need it in Ontario. I'm quite sure that the manufacturing, exporters, the industries and our members would support collaborating with the Ontario government and the federal government on any initiatives that would help us improve our situation.

Mr Howcroft: I would agree with that. There's a lot more that can be done. These are very complicated issues, and the more we have at the table talking about it and trying to solve it, that would be for the betterment of Ontario and Canada.

You missed one of my earlier comments, Mr Christopherson: we're trying to deal with issues from a broader perspective, not just dealing in the silos. We see that in Ontario and we see that we're dealing with federal and provincial issues. Our members say we have a problem and we have to solve it. It doesn't matter what the Constitution says as to who is ultimately responsible for it; we have to work to come up with solutions, so a collaborative approach would go a long way to deal with some of these issues.

John had mentioned the skills issue. Ontario is the only jurisdiction in Canada that still doesn't have a

labour agreement with the federal government. We're encouraging Ontario and the federal government to work together so that the companies and the individuals here in Ontario can benefit from leveraged co-operation between Ontario and the Ottawa government.

The Chair: We have two minutes left.

Mr Christopherson: You talked about not fooling ourselves. I think one of the concerns some of us have in focusing solely on tax cuts is that it is also part of that race to the bottom. We can also be more competitive by having the weakest labour laws; we can be more competitive by having the weakest environmental protection laws; we can be the most competitive by having municipalities have the ability to start giving bonuses, as we call it, which no one is contemplating, but it's another measure. If the only thing that matters is competitiveness, there are lots of things we can do.

From our perspective in the New Democrats, rather than seeing some of the disadvantages we have—and, no question, there are things we have to work on, and tax rates have to be at least competitive; nobody is arguing that point either. However, if we're racing constantly to be the cheapest in every area, ultimately we're going to be asking Ontario workers to work for wages that would compare with Mexican workers, which of course is never going to happen. But if you listen to some people, they'd like to see us take a big, huge step in that direction. Already in northern Mexico they're losing jobs because workers in southern Mexico are willing to work for less money than their brothers and sisters in northern Mexico. So the whole game of race-to-the-bottom is even happening within a nation, not just nation to nation.

It seems to us that quality of life is a huge issue. That's a distinct advantage we have over most of our competitors around the world. You mentioned having that labour agreement, but having that ready-made skilled workforce and every facet of life that business has to deal with is a distinct advantage. Certainly our health care system means we have healthier workers. Smarter workers—the education system itself provides those workers. And yet, if we focus solely on tax cuts, they erode our ability to maintain those advantages. I guess what I'm getting at is that I'm looking for some comment that acknowledges the fact that taxes alone aren't going to decide whether someone invests big or small and whether we succeed. A lot of it has to do with the quality of life and the advantages we have—our geographical advantages, our resource advantages, our sophisticated financing systems. There are a lot of things going for us. We don't have to allow ourselves to be exploited on the tax front as our only means of survival. Would you agree with some or any of that?

Mr Howcroft: I agree with most of what you say. That's the view we take. We think Ontario and Canada have a lot to offer, but we find ourselves falling further and further behind the United States with regard to our standard of living and our productivity. What we want to do is create a system here in Ontario that allows us to address that. We want the quality of life to increase.

We're not looking for low-end jobs and low wage rates that you'd find in Third World countries. What we want are value-added jobs. In attracting investment and investing more in companies, you're going to get the higher jobs, the jobs you need the skills for. So we agree with the direction you've stated. We may not agree with all the ways of getting there, but our goal is to deal with some of those issues.

I have brought copies of our paper, the Business Case for Innovation, which talks about what Ontario and Canada need to do and need to discuss to allow us to move forward. We do an analysis every year, an excellence gap comparing us to other G7 countries. Four years ago we were in fifth place; last year we were in seventh place. We're falling further behind, so we have to deal with some of these issues. Tax is one important area, but there are other issues we have to deal with—skills, innovation, the culture we have here—if we're going to be able to maintain the standard of living we have, let alone improve it.

Mr Christopherson: Right. Thanks very much, gentlemen.

1050

The Chair: I'll go to the government side.

Mr Ernie Hardeman (Oxford): Thank you very much for your presentation. I want to share our time with all the members on this side. I just have a couple of quick questions. The first is on property assessment and the change to market value assessment. John, you spoke about that and that it's a giant step in the right direction to pay fair taxation. You did suggest that more needed to be done, and I just want to make sure I understood that the more that needed to be done was based on the tax rates on that assessment as opposed to the actual assessment, or whether you see a major problem yet with how the value of industrial-commercial property is assessed.

Mr Allinotte: Under our system, the tax base is the assessment process. The 1997-98 implementation of the change spoke about fair market value assessment. Had that fallen in place the way that terminology in the legislation was written and the mathematics worked out to be, we'd probably have industrial and commercial properties in Ontario back to an area where the taxes were not being disproportionately paid by those two groups. Unfortunately, we found that the residential areas were going to have to pick up the shortfall.

Then we introduced capping. The introduction of capping, whereby the industrial and commercial areas that otherwise would have achieved a certain amount of benefit from the new system—it was never achieved. I don't think it's planned to be achieved in the very near future. That is a problem. I know the current Ontario property corporation, OPAC—

Interjection: MPAC.

Mr Allinotte: MPAC—whatever they call themselves these days—is talking about introducing a new cost system for assessment purposes in 2003. One of the problems with those types of systems is that there is a lot of subjectivity in them. It all goes to value. When you

look at our friends south of the border, property taxes, realty taxes, personal tangible property taxes are based on financial statements on a cost basis, and that is how it's levied on industries; it's done the same way.

Your question about taxes has always been a sore point on my side of the table, because no matter how hard you work to get the assessment right, the municipalities raise the taxes. They spend the dollars. I've always been an advocate that industry, commercial, even as a residential homeowner—that every time the municipality spends a dollar, some portion of that dollar is my money. I want a little more say in it. Industries such as my own employer make up anywhere from 8% to 10% of the municipal tax dollars that go into the city of Hamilton. Sometimes we question whether they should have spent that money. I think that is on the other side of it.

Mr Hardeman: OK. The other one very quickly: Ian, I think you mentioned the association's support for opening the market for hydro. We've heard a number of times in our consultations that one of the larger corporations in your municipality was saying they think that's bad for the manufacturing industry. I don't think it was Dofasco.

Mr Allinotte: No.

Mr Hardeman: Could you explain to me why there would be some who think it's not a good move, and yet everything I see—and the minister announced yesterday that he's projecting we're going to have considerable savings across the electricity industry over the next number of years because of opening the market.

Mr Howcroft: For one thing I think there's been a lot of misunderstanding about the issue and I've seen some conflicting media reports. We have been working for many years to have a more competitive energy market. We support the market opening. We'd like to see more competition than we currently have and we'd like to see it accelerated more than what the plan is. But overall, from what we're hearing there is still vast, widespread support for the market opening. There's support for more competition in that area, which we believe will lead to lower energy prices, competitive energy prices, than if we continue the way we have in the past.

Mr John O'Toole (Durham): Thank you very much for your presentation this morning. I'm looking to see the printed version of it, John, because your expertise in taxes is refreshing.

The chart Mr Phillips was referring to was supplied by the minister in his presentation yesterday. I've asked staff to verify the 40.9% number he used for Michigan. Really, Mr Phillips has been arguing every day I've heard him for the last six months or since the budget: "Why should Ontario be so much less than other jurisdictions?" I agree with your analogy. It's got to be an all-in number.

There are three levels of government with taxing power here. The municipal one makes up the size of the pie. Whether in the assessment or in the tax rate—they juggle the number—it doesn't matter. If they lose it in tax

rate, they get it in assessment. Then at our level—and to harmonize with the feds, who ultimately don't really want to deal with the capital tax issue; they'd like to hide behind it. You know the argument going back to the 1990s on capital tax. I just think that if we harmonize—we've each got the numbers—there will be more tax on the people of Ontario. Of course, there are those who say they'll harmonize with the federal government. Their agenda is to increase taxes, not reduce them.

So Mr Phillips relentlessly argues against any tax reduction for business. He can respond in his own time, in his own press conference.

Mr Phillips: I have no time.

Mr O'Toole: No, he has no time left. But the point is, we are clearly on record as reducing capital tax and corporate tax. I've heard you say it's the right thing to do to remain competitive, otherwise ultimately we lose the jobs. And as Mr Christopherson says, we lose them to other competitive jurisdictions. Japan is in an economic crunch in terms of its banking system and Mexico is exempted from Kyoto. As these big marbles move around the table—it's a complicated arena, complex beyond the tax regime.

I'm just going to ask you one question because Mr Spina may have one. It's the response to the Kyoto investment. Although it's a federal jurisdiction, it's going to affect the heartland of manufacturing in Ontario. What's your position with respect to that? I've read conflicting reports. The federal report says it's going to have about a 0.5% impact on the GDP. There are other reports ranging in the order of 1.5% to 3.5%, maybe even higher once you complicate it with emissions. Our trading regime includes some of the countries that are exempted from Kyoto. I have no problem with them sharing in the wealth of the world and I think we should exempt them under certain kinds of—but ultimately, if the same amount of CO₂ is going into the atmosphere, whether it's here or there, let's measure the efficiency. Do you understand? Do you support the Kyoto regime by the federal government currently and its potential impact?

Mr Howcroft: We do not support the federal government signing the Kyoto Protocol. In fact, the other—

Mr O'Toole: But we want a clean environment.

Mr Howcroft: So do we. I brought our Kyoto Alert to leave with you today because I think, as Mr Christopherson said, we can't just look at the tax issues on their own; we have to look at all these issues. Kyoto has been viewed as an environmental issue, but there are broad-ranging implications that cut across all ministries and will affect all people of Ontario and Canada.

There are major concerns. We issued a report yesterday about the pain and no gain if we go ahead with Kyoto as it currently stands. I just e-mailed everyone here yesterday the executive summary from our report and would refer you to that. I'll provide anyone who wants it with a full copy of that report.

Mr O'Toole: I'd appreciate getting a copy of that.

Mr Howcroft: It shows that if we go ahead and have to meet the Kyoto requirements, we would risk losing 450,000 jobs in the manufacturing sector by 2010, I believe it is, and that doesn't include the jobs that are supported by this strong manufacturing sector. So there are real major consequences in going ahead with Kyoto right now and there would be, as you point out, no gains to the environment that—

Mr O'Toole: What are the implications here if it's the globe and we're pumping so many tonnes of CO₂ into the globe, so I reduce mine and somebody else increases theirs? Who are we kidding here? It really is an economic policy run by some world bank about re-disposing the wealth of this world. I think we should have some say in that, specifically when our economy hinges on all the fundamentals that make you competitively disadvantaged with Mexico, for example.

Mr Allinotte: Let me just talk as an accountant. The dollar cost of achieving the reduction in CO₂—I have been on several committees and talked about carbon taxes. Carbon taxes were going to be directed at carbon producers or users. The steel industry uses a lot of carbon in our coke houses and, unfortunately, a smokestack industry is a smokestack industry no matter where it is. But the dollars that have been spent in this country and in North America to reduce carbon emissions within the steel industry have exceeded our counterparts in Japan. All you have to do is travel through some of the Ruhr Valley in Germany and see some of the steel production there and the coke oven batteries and what they are producing.

For us—for Canada, for Ontario—to say we are going to meet whatever the bottom line is going to be years ahead of our competitors is going to cost us money, money that we don't get five cents of return on. Our shareholders are going to kind of think we're crazy.

The Chair: With that, Mr O'Toole, I have to bring it to an end, as we've run out of time. Gentlemen, on behalf of the committee, thank you very much for your presentation this morning.

Mr Phillips: Mr Chair, just while we're changing, I wonder if we could get the research staff to give us the study on the relative tax—

The Chair: Statutory rates?

Mr Phillips: The relative tax rates. I found what they did two years ago very helpful, because they included other provinces as well as the States. What we heard today I think was the need to look at the capital tax as well, to make sure it isn't just the income tax. I was kind of relying on the information presented to us yesterday.

1100

SCOTIA ECONOMICS

The Chair: Our next presentation will be from Scotia Economics. If you could please state your name for the record, and on behalf of the committee, welcome. You have one hour for your presentation this morning.

Ms Mary Webb: I'm Mary Webb. I'm a senior economist and manager at Scotia Economics.

Mr Aron Gampel: I'm Aron Gampel, vice-president and deputy chief economist at Scotiabank.

As usual, we're honoured to come here and give you our views on the economic outlook shaping the global economy, and Canada and Ontario. We've provided you with a summary of our outlook. That is hot off the press. Mary and I will do our usual tag-team match here of reading into the record our report, and then we'd be more than glad to answer any questions you have.

Ontario: Back on the Road to Recovery. Ontario is expected to generate increasing economic momentum as the year progresses, with the broadening US recovery leading the way. Because growth will be back-end-loaded, the 2002 advance in provincial real GDP is expected to be 1.4%, broadly similar to Ontario's performance in 2001. Next year, a gain of over 3% is forecast, with stronger growth encompassing more regions and sectors of the province. Overall, the economic takeoff that Scotia Economics expects this year and next is comparatively slow, averaging only about half the 5.5% advance during the boom period from 1997 to 2000.

A number of growth-restraining factors are expected to weigh against the typical snap-back in provincial activity that follows an economic slowdown. Consumers in both the United States and Canada will be hard-pressed to maintain the marathon shopping spree of recent months that has prevented an even steeper economic downturn from materializing in the aftermath of the terrorist activities in New York and Washington. The profit slump and overcapacity that characterize most industrial sectors on both sides of the border will limit capital spending plans. Commodity prices are in a bottoming phase, suggesting that global industrial production has yet to rev up. Growth in the Euro zone is minimal at best, while Japan's economy has firmly slipped back into recession.

There is, however, light at the end of the economic tunnel. More and more indicators are beginning to signal that the economy is emerging, albeit gradually, from the slowdown that began in mid-2000, roughly two years ago. Confidence and other leading economic indicators have been moving higher on both sides of the border over the past few months, encouraged by very accommodative monetary policy settings. Factory orders are beginning to turn higher as businesses begin to restock inventory. In the United States, the perpetual global economic locomotive, employment conditions are beginning to stabilize after almost a year of private sector job cuts totalling 1.8 million workers to date.

Ontario should benefit from the improving prospects in the United States. Although Canadian businesses have been less aggressive than their US counterparts in paring back employment and rising inventories, the increasing economic interdependence of the two countries suggests that Canadian output and exports will gradually build momentum as the year progresses, with a significant assist from a weaker Canadian dollar.

Monetary officials are expected to keep record-low short-term interest rates unchanged for the time being, a

development that will continue to underpin the economic revival. The resilience of shoppers in both the United States and Canada owes much to the sharp slide in borrowing costs, in addition to heavy price discounting and sharply lower energy costs. The massive amount of mortgage refinancing that has enabled Canadians and Americans to tap their rising home equity values has also been a major factor in fuelling the spectacular resurgence in big-ticket purchases.

At the same time, fiscal policy is also helping to stabilize the North American economy. Washington's tax cuts and ramped up defence-related expenditures are offering important support. In Ontario, provincial and federal multi-year tax cuts are helping to underpin domestic demand. Significant public sector infrastructure spending should assist the construction sector as commercial and industrial projects are deferred.

However, a number of factors will at the very least cause this recovery to fall short of past revivals, even while inventory swings pump up growth for one or two quarters. The relentless squeeze on corporate profits in both the United States and Canada resulting from substantial global excess capacity in most industries will limit productivity-enhancing expenditures, a development borne out this week by the decline in corporate investment intentions reported by Stats Canada. The inability to pass on price increases in either domestic or export markets this year will force further corporate restructuring, delaying new hiring.

In the intensely competitive environment anticipated for the next couple of years, Canadian industry will continue to strive for higher productivity. Since the spring of 2001, Canada has witnessed a modest increase in private sector employment while US businesses were slashing payrolls. If profit margins remain squeezed, then layoffs could be expected to rise in Canada. In addition, trade irritants with the United States pose some risk for several Canadian industries.

In the early stages of this recovery, there will be little boost from the release of pent-up housing or consumption demand. In fact, household spending, already at or near record levels, will likely moderate in the months ahead before accelerating later this year. American motor vehicle sales, for example, have begun to pull back as a new round of cash rebates replace 0% financing. Canadian sales are forecast to follow suit, following record sales levels in January.

In contrast to Washington's ongoing stimulus, US state and local governments have embarked on cutbacks to help balance their books. In Canada, renewed federal and provincial fiscal restraint is anticipated as governments focus on steering a prudent course.

Ms Webb: Ontario industry prepares for a turnaround. Ontario industry faced significant challenges in 2001: motor vehicle production cutbacks early in the year, a steep high-tech correction and the substantial trade, transport and tourism adjustments that followed September 11. Growth in Ontario's manufacturing shipments, that averaged 8% from 1997 to 2000, faded to a 6%

decline last year, with only British Columbia recording a sharper drop.

The motor vehicle assembly and parts sector, which accounts for over 45% of Ontario's exports, is forecast to witness a further modest correction in 2002 as North American vehicle sales retreat from recent record highs. The forecast drop of about 5% in assembled units amounts to roughly one third of last year's decline. The announced closure of Ford's Oakville Ontario truck plant will trim Ontario's capacity by only 3%, and virtually all the remaining plants are productivity leaders. Right now, as production begins to pick up in 2003, Ontario boasts a 5% advantage in the number of worker days per vehicle assembled.

Ontario's auto parts manufacturers are also well positioned. The industry witnessed only a 5% fall in shipments last year, and the Canadian parts content in North American vehicles is expected to climb toward \$2,200 per vehicle by mid-decade, up substantially from less than \$1,000 in the early 1990s.

Ontario's aerospace industry has faced softer markets with the reduction in air travel in a post-September 11 environment. For steel, intense competition from imports drove down prices for some products during 2001 to the lowest levels since World War II. However, extensive consolidation in the North American industry has tightened supply, suggesting somewhat firmer prices going forward.

In telecommunications and information technology, restructuring—that includes further mergers and acquisitions, spinoffs and employee-led buyouts—is expected to continue through much of 2002. The substantial office and industrial space released in Ottawa's western suburbs and in the GTA over the past year indicates the extent of the high-tech sector's reversal. Growth prospects, however, are positive for areas such as biotechnology, and a gradual recovery in high-tech investment is anticipated, given ongoing pressures to trim unit costs.

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Expansion in Ontario's services sector over the next couple of quarters will be constrained by the second- and third-round impacts of corporate restructuring and renewed public sector restraint. Beyond the services directly related to manufacturing production, such as transportation and warehousing, are a range of business and technical services that are also affected. Toronto's prominence as an air transportation hub and the importance of overseas visitors to the tourist industry increased the province's sensitivity to the events of September 11. However, the province's outsized share of US travellers and the low-valued Canadian dollar, combined with Ontario's stepped-up tourism marketing, should safeguard the travel industry this year.

Ontario consumers, after curtailing expenditures through last summer and into September, posted a 6% jump in retail sales in the September to December period, powered by motor vehicle purchases. A moderate pull-back is anticipated over the next couple of quarters as weak job creation pushes the provincial unemployment

rate into the range of 7.5%, but several factors should limit the downside.

Ontario households entered 2001 with substantially higher real incomes. The impact of wage and salary growth, averaging a robust 6.6% annually for the four years to 2000, was enhanced by declining federal and provincial tax burdens. Offsetting the effects of financial market volatility was a pickup in housing prices. In just the past two years, the average MLS residential transaction price in Ontario has climbed over 10%. Stronger population gains, second only to Alberta, are also fuelling spending.

There are, however, fiscal challenges ahead. As the Ontario economy geared down in 2001, the province's spring budget responded with increased debt repayment and a schedule of personal tax cuts weighted toward 2003. Now, in 2002 and looking ahead to fiscal 2003, the Ontario economy is softer than last spring's forecast and government revenues will lag the recovery. The recent decline in inflation, though helpful in lowering costs for households, business and the public sector, will also dampen income growth. As a result, some difficult trade-offs likely will be required for Ontario to stay in the black.

Ontario's revenues in fiscal 2002, according to its third quarter update, will be more than 1% below year-earlier levels, with a 3.5% drop in own-source revenues overwhelming the 20% rise in transfers from Ottawa. Federal estimates of tax revenue remittances continue to ratchet down, and another small revenue decline is probable in fiscal 2003 as the province's own-source receipts slip again. Indeed, with a strong revival in taxation revenues probably not materializing until fiscal 2005, this year's fiscal planning should address the province's structural budget balance for both fiscal 2003 and fiscal 2004.

Corporate income taxes, a major source of revenue weakness this year, will slide again in fiscal 2003, given the further double-digit decline in pre-tax profits forecast for calendar 2002 and the planned cuts in the general, manufacturing and small business CIT rates for January 2003. In fiscal 2004, even with some earnings recovery, CIT receipts will be slow to rebound, reflecting loss carry-forward provisions and further scheduled rate cuts.

Personal income tax receipts are also expected to weaken further in fiscal 2003, given minimal employment growth and, in January 2003, the rate cuts scheduled for the low and middle brackets and the elimination of the first tier of Ontario's surtax. The outlook is more positive for retail sales tax revenues, with moderate increases anticipated over the next few years.

At the same time, the province faces a range of pressing expenditure demands. Of paramount concern is the health care budget, an area where all provinces are attempting to contain spiralling costs. An important consequence of the current fiscal squeeze is that it is forcing consideration of more substantive health care restructuring. Education, in addition to the demands of the upcoming double-cohort year, requires ongoing atten-

tion as a key building block of the province's competitiveness. Ontario must accommodate its steady population gains, fuelled by the province's role as the first destination for the more than one half of Canada's immigrants. Federal cost sharing programs currently pose a window of opportunity for Ontario's catch-up infrastructure investment.

The good news is that the province's debt service should fall well below \$9 billion in fiscal year 2003 for the first time since fiscal 1998. Though Ontario has a relatively low percentage of variable-rate debt, limiting the benefits of current low short-term interest rates, it does have relatively large high-coupon maturities over the next year that can be refinanced with substantial savings. As well, the government's policy of directing the proceeds from asset sales and privatization to debt repayment should accelerate the unwinding of Ontario's debt that is key to Ontario's longer-term competitiveness.

Since 1995, the provincial government has achieved notable fiscal repair that better positioned Ontario to weather the current economic downturn. While the momentum of fiscal repair will ease during this slowdown, other provinces and neighbouring states are facing similar fiscal restraints and their progress has also stalled. The challenge, therefore, is for Ontario to keep its longer-term competitiveness goals in focus as it designs current fiscal trade-offs.

Mr Gampel: Let me conclude by alluding to the risks to the outlook.

The global recovery envisaged over the next year could stumble for a number of reasons. American consumers, for instance, could significantly retrench, weighed down by less buoyant income prospects and considerable debt. Japan's restructuring may not succeed and a sharp depreciation of the yen could hamper the recovery of other Asian economies. Latin America's economic situation remains fragile at best.

In addition to the potential impact of further terrorism incidence on consumer and corporate confidence, Ontario is particularly sensitive to the achievement of secure, efficient Canada-US border crossings. Over 90% of the province's international exports are routed south of the border and over 90% of these shipments are transported by rail or truck. Visible progress in addressing border issues must continue to maintain investment interest in southern Ontario, where the production of so many goods and services is tightly integrated with the United States.

Mexico is a growing force within NAFTA, building upon its favourable production and cost positions. The composition of Mexican exports to the US is similar to Ontario's, namely motor vehicles, electronics and machinery. In all three of these industries, Mexico increased its American market presence over the past decade. Canada outpaced Mexico in only six of 24 major industries in the 1990s and its share of US imports remained stable at 19%, compared to Mexico's share, which doubled to 11%.

Ontario's robust growth from 1997 to 2000 was built upon corporate restructuring during the first half of the

1990s, productivity-enhancing investment during the latter half of the 1990s and provincial efforts to reduce the tax and debt burdens. In this decade the same corporate and public sector focus on competitiveness will be required.

Thank you for listening to our commentary. We'd be more than glad to answer any questions.

The Chair: Thank you very much. We have approximately 12 minutes per caucus. I'll start with Mr Christopherson.

Mr Christopherson: Thank you very much. I always enjoy your presentations.

On the first page you mention the slowdown that began in mid-2000. As clear as you can get on this, what sparked that? We're humming along nicely, everything is going along great, and everybody now sort of refers back in generalities much like this. I can understand why, but I'm trying to get a sense of what sparked it. What was the turning point? Everything so far seems to be symptoms. Everything was a symptom of this and a symptom of that rather than what caused it to go from sunny days to cloudy days.

Mr Gampel: I believe that history is always good to be able to look back upon to try to get some answers. I think there's a variety of factors that contributed to the slowdown that did emerge in mid-2000. This downturn is different. They're all different, but this one in particular is different because it wasn't really caused by excessively high interest rates or consumer pullback. It was caused by the business side of the equation which came under strain, primarily in the United States but of course globally as well, because of the overcapacity that was being built into the technology sector. That sector is relatively small in terms of its overall size in the overall economy but had been contributing at an exponential rate to the growth rate of the province, of the country and of the economies around the world.

That overcapacity, combined with the lack of profitability that was being made in industry, forced a major retrenchment to occur in capital spending, and so what you had was an investment-led slowdown. That was one factor and one of the large factors that contributed to the stumbling of the US economy which, in turn, being this locomotive of the global economy, began to have repercussions throughout the world. That's largely because, when the US technology bubble burst, although the US may be the leaders in software and intellectual property, of course it's all interconnected. A laptop computer may be derived, or a lot of the software designed and built, in the United States, but the laptop was assembled in Mexico with components from Southeast Asia and Canada. So because of the concentration on technology, the global economy began to skip a very, very quick beat and pulled down almost every region around the world.

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The second part of the equation is that because of that economic interdependence, even economies which don't trade all that much with the United States were affected because of the increased globalization that had been

going on. So if the US slowed, Southeast Asia and Canada slowed and Mexico slowed, then of course Europe, which thought it would be immune to some of these problems internationally, came a cropper as well because of their ties to other regions of the world. So the connectivity of these economies, because of trying to outsource production around the world, led to a steeper slowdown that encompassed many more economies.

I think another factor that goes unnoticed but I think is very, very critical is the fact that energy prices were moving substantially higher at the end of the 1990s and that certainly contributed to a tremendous drag on overall economic activity as it basically pinched the pocketbooks of consumers and businesses. And then of course we were snugging monetary policy; we were pushing interest rates up in order to guard against inflationary potential. These economies are still inherently inflation-prone and it may be coming from low levels and moving modestly higher, but policy was in a restraining mode.

I think those are the factors that essentially tipped the economies over. Of course America for a variety of reasons began to cut back employment very quickly in 2001 as the profit numbers would not revive and any other efforts to restructure were not meeting with success, and that just led them into a much steeper downturn. Other nations around the world have not cut back as much on the employment. Domestic demand has held up reasonably well. There was not a consumer-related slowdown; it was much more business-related.

So I think that those, in a nutshell, are the main factors which triggered this slowdown. Again, these slowdowns then breed recovery as well and that's what we're seeing right now.

Mr Christopherson: You talk about that nice word, "correction," the lovely, soft, nice little word that for a lot of folks means absolute devastation. But I'm going to talk about the whole tech side of things now.

The market side of things has gone into the dumper, but on the other side the major indexes—the DOW, the TSE, the equities—held by and large and there's a lot of discussion around the P/E ratios. First of all there are questions about how solid the numbers are to start with, which is its own thing. What are they calling it: Enronitis? Anyway, is it your sense that that could still cause a problem if everybody started to believe that those ratios are too high, that those profit margins aren't going to be there in the out years? It seems to me that one shoe fell when NASDAQ did what it did and the rest of it sort of held there, particularly housing, which in my mind is in a bit of a bubble. Once you start setting records like that, it's hard to sustain. Your thoughts on some of that?

Mr Gampel: Clearly, the stock market valuations, which in many cases were led by technology, as reflected in the NASDAQ, and of course even with the re-weighting of indices, whether it's the TSE or even the Dow, they're all down. They're all much lower than they were a few years ago from their peak. Right now, obviously, I think the market is factoring in probably lower P/E ratios going forward. It's going to be hard to

match the valuations that we saw just a few short years ago. That calls into question the ability of companies to make money in a very, very competitive world. I think you're getting a revaluation going on, which is obviously complicated by accounting issues now in the marketplace, but we've had those before in other decades as well.

I think the key here is that the economies globally, which were running, basically, at a very high rate of growth, have gone from high rates of growth to low rates of growth. That has caused a major period of indigestion. That's what it is. The question is, how long will it take to get some relief? I think it's a workout period. The technology sector right now is in the process of going on a fundamental compression and consolidation, so the ability to generate renewed earnings is down the line. It still will probably be a very strong area, but we're in a period of adjustment. The long and short of it is that whether or not we can expect that the gains in stock market activity will affect, let's say, consumer income or corporate performance, I think it's going to be a factor that will limit the wealth creation ability of individuals and their spending power. But we're offsetting that, as we've seen through other areas: lower interest rates, price discounting that has been going on, and of course the return to lower energy costs. All those factors have been supportive and have kept consumer spending power up there at a time when we really have not seen as many job layoffs as one might have anticipated, so that the income gains from wages and salaries have not really slowed down significantly.

So I think the stock market is a factor that could limit how fast we regenerate growth. But right now what we're seeing is a classic inventory cycle where, through a combination of I think very fortuitous factors, we've just run down the stocks on the shelves to bare-bones levels. We have to go in and produce. The question is, how sustainable is that production turn? We really don't have a good answer on that. We're on the more cautious side in terms of the extent of the rebound because of the problems that we still see on the industrial side of the economy, trying to get out from this overcapacity that exists in many sectors, whether it is the auto sector, the technology sector, or other transportation equipment.

Ms Webb: On the housing side, we agree. This is another reason for our forecast that this recovery is going to be a bit more gradual than past recoveries and may disappoint some expectations. It will be tough to build substantial growth on housing starts and motor vehicle sales that are already at record levels and possibly ahead of themselves, given the relatively weak employment and labour market outlook that we do have embedded in the forecast.

Mr Christopherson: And if there's any kind of downturn, you're saying here that the Canadian economy could face a quick job loss, because we didn't see it in the last little bit.

Ms Webb: That's right. We did not have it.

Mr Christopherson: Two quick questions, if I can get them in. You mention that in the United States, we've

got Washington doing stimulus, with Bush actually prepared to go into deficit. Then you're noting that states and local economies are pulling back. Your thoughts on the fact that they're both going in different directions? Is that good? Bad? Should one be doing what the other's doing? Your thoughts on that?

Then, just any comment on long-term sense of inflation. Suddenly, there's a lot of stimulus going on from the feds, a lot of defence spending. I haven't checked it, but I think they're probably adding money into the system. All these things can lead to inflation down the road. Although everybody's saying, "Don't worry about it," that's usually when I start worrying. Your thoughts on those two things?

Mr Gampel: I think that the United States has a different agenda than most other countries face. Right now, as being largely the military protector of the free world, they are in the process of ramping up defence expenditures. That's all there is to it. It's huge. They are willing to do it. The question is, how tolerant are they of big deficits going forward? I don't know. I don't think anyone has a good answer to that right now, but I would think that over the next year or two the size of the military expenditures that are going through the system will be very large and will have an impact on their overall economy.

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The inflationary potential of it is there, there's no question about it, when you get into cranking up the deficit machine. However, there are enough checks and balances in the global economy right now that I don't think we are going to see any significant rise in overall inflation at this particular time. If you ask me if inflation will be higher a year, two years or three years down the line, I would say yes. I think inflation is pro-cyclical. If the economy is expanding, we will probably see inflation begin to move up. I don't believe we're going back to high rates of inflation. I think high rates would be anything in excess of 4% to 5%. I do think that when you're in the range of 1% to 2%, where we are in North America right now, we're probably at the bottom with a potential to go higher.

Upon saying that—again, this is how wonderful economics is at the moment with all of your advisors both internally and externally—there are a lot of deflationary pulses going around the world. Japan is one of the classic examples. Japan is in a very tough position right now. If there are major failures there beyond what has happened with their inability to get their economy going, then it sends a deflationary pulse through the world, because as their currency weakens, it forces other countries to adjust. It means that the pricing conditions in Canada and the United States become that much more trying.

I would think the near-term risk right now is for stable, low inflation, but the bias may be even lower just because of the working through of the global deflationary pressures. But longer-term, with the US being the leader and for us the most important, there are always inflation-

ary risks. We know that costs are going up in the health care area. We know that costs are going up in the security area. We know they are going up in the defence-related areas. So there are underlying—insurance is a classic example now in the post-September 11 era. There are inflationary tendencies that are still out there, that are probably built upon the demand conditions that have changed, at least temporarily.

The Chair: I have to go to the government side.

Mr Joseph Spina (Brampton Centre): Thank you for the presentation. The challenge that is being faced by the government, as you have indicated—and we can take some comfort, I think, in your comment that we've been able to, as a province and the government of the province, better manage the sort of wave and cycles that we're going through in some of the other jurisdictions. As to your sentence about how some difficult trade-offs likely will be required for Ontario to stay in the black, we're trying to juggle that element, of course, with other elements of trying to manage through that and still maintain some degree of incentives so that the economy can respond more quickly.

I'd ask about page 4, the paragraph where you talk about PIT, the personal income tax receipts, that they are "expected to weaken further." I'm not going to read it out. I'm trying to understand that. You've indicated that with minimal employment growth, you expect—this is what I'm reading into it; correct me, please, if I'm not understanding it properly. Because of lower employment, you've got lower personal tax revenue. On the other hand, because of the tax rates for the low and middle-income brackets and the elimination of the first tier of the surtax, then you're saying that the outlook is more positive for revenues, with moderate increases. So it almost sounds like a paradox. There is less revenue anticipated. The receipts are expected to weaken further in fiscal 2003, given minimal employment growth. Then you're saying that the rate cuts are going to generate more tax revenue. I'm trying to understand that.

Ms Webb: I think the intent of what we were saying is actually that the rate cuts would further erode the revenue. Although certainly longer term, over a number of years, it will stimulate and support growth, near-term, as you have the economy emerging into this slow recovery, it will be a cost.

What is built into the forecast is not just minimal employment growth but also some deceleration in wages. The fact that individuals can carry both back and forward capital losses that they've sustained in 2001 and 2002 is going to be another significant factor that plays into personal income tax receipts that we really don't know the magnitude of. Capital gains escalated so rapidly in 1999 and 2000 that we know that factor is very substantial both for federal tax remittances and in Ontario, because a relatively high percentage of Ontarians do own financial assets. We're simply going to have to see the numbers before we know how big that is.

Mr Spina: The other side of it—and Mr Christopher understands that. I understand where he's coming

from. The CAW yesterday recommended that the province, in fact the country as a whole, create a very specific strategy for the steel industry and the automotive industry. I think those were the two categories. Right, David?

Mr Christopherson: Yes.

Mr Spina: Earlier, the Canadian Manufacturers and Exporters—I know you heard part of their presentation—talked about an accelerated capital write-off that was introduced 20 years ago, and some of that equipment is still there now. That was a great incentive for investment into our economy.

I look at the comparison of perhaps my own city of Brampton, which has a large Chrysler plant, has the head office of Nortel, and is also where the Canadarm is being produced and made for the aerospace industry. We have other companies that are involved in a broad base of industries. When the third shift got eliminated at Chrysler, fully 1,300 workers, and with the layoffs that took place at Nortel, I look at my city and I'm thinking, "Something is going to happen here." The only thing I was seeing was record housing permits, record industry building permits, just breaking all records of investment and growth and expansion. I look at another community, where I was born and raised originally, Sault Ste Marie, a two-industry town—one and a half, essentially—the steel mill and the paper mill. I look at the decisions this government is trying to make and I'm wondering whether it's better to do as CAW and others are recommending, where you develop a strategy for specific industries, or is it better maybe to develop broader-based initiatives that would benefit a number of businesses across the board to give you a better cushion, if you will, when it comes to weathering downturns and also giving appropriate incentives for growth and job creation?

Mr Gampel: You've asked some very good questions. Some of them are related and some of them may not be related, but between Mary and myself, we'll try to give you our best feeling for it.

Personally, I would believe that the latter choice is the best, going toward your last question or last supposition that it's better to create incentives for the economy as a whole as opposed to select industries. It's a very complicated area but I think we are setting and have set the stage in this country and this province for better times and we were reaping the benefits of it. I would say we maintain that focus going forward. I think that means we have to obviously create incentives to make this a much more competitive place to work and also one that is much more productive. That affects not only the big industries but also smaller ones as well, because to a great extent this province and this country as a whole have a lot of small businesses out there that need to be classified as much more competitive and internationally focused as well.

I personally would think that is the way to go, as opposed to creating specific targeted industry incentives. Obviously in this environment where international events may force your hand, those are the types of issues that

require decisions at that particular time, but I think from a national as well as a provincial perspective, we're on the right course.

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We've seen it in terms of the performance of the economy in that we went through quite a significant global slowdown, yet even during that, as you mention, we can still maintain fairly good expenditures on the consumer side in housing and automobile sales—an unbelievable performance and one which reflects the improving fortunes of Canadians and Ontarians and our confidence in the future for the province, for the country and for the global economy.

I believe that not only have companies made significant inroads and become much more productive, and that of course has helped to protect workers during this slowdown, but it has also given governments that had moved into surpluses that capacity to help out the economy during the period of slow growth.

I think by and large it all works over time and the benefits are there. It may not be reflected in the Canadian dollar, but that's not the issue. The point is that we have developed increased flexibility both on the monetary side and the fiscal side, nationally and provincially, in order to assist during these times when the economy doesn't go as well as it probably should.

To a great extent, we are so focused on our trade side as a province and as a nation that we cannot escape the vagaries of the business cycle internationally, nor can we escape the pricing conditions that are imposed upon us by international factors, whether it's the commodities side or the manufacturing side.

I think by and large we've done well. I know when we came here last year, we were very concerned about the economic outlook. In fact, we thought we were very negative at that time and lowered our growth forecast, but it obviously came in even lower than we had anticipated. But the mix has changed and the mix is even better than what we would have thought. I think that goes a long way to showing that substantial work and progress have been made in underpinning consumer confidence and spending power and the ability of businesses to withstand the vagaries of the business side.

The Chair: Mr O'Toole, you have two minutes.

Mr O'Toole: Just quickly, I have a couple of questions. Your article on February 25 in the Financial Post indicated that the government—this is Ms Webb. She said that "the measures could be enough to let the provinces squeak by until 2004 with only small deficits."

The other one is, what is the impact of US military spending ultimately going to be on the economy? They are spending huge money on two issues: the September 11 cleanup and foreign terrorism. How is that going to affect both the—it's going to affect our dollar because they're not buying anything. They are not buying anything; they are spending huge amounts of money. How is it going to affect our economy? Ultimately we're tied to the US economy. They are going to go in the tank. They are going to have huge debt.

Ms Webb: Two points here. You're absolutely right: possibly the most effective stimulus that can be provided in Ontario is from Washington and there should certainly be benefits to a number of Ontario industries. That being said, yes, Washington is going to not only stop retiring much of its publicly held debt but in fact having to start borrowing significantly again. The crunch from that is probably not going to materialize until much later this decade, as you get people retiring and as you no longer have as large a workforce to support a retiring population. So for now there is no near-term crunch. The capital flows into the US have more than indicated that they can easily finance the projected deficits.

In response to the Financial Post article, the question that had been posed to me was, "Well, we got through fiscal 2002, or you think we will, so why do you think things are going to be intensified in 2003?" Part of my answer was that, unfortunately, government revenues always lag in economic recovery. We still have fairly modest growth in central Canada for 2002 and, really, we won't see a significant pickup in revenue growth till fiscal 2004. Therefore, we must make structural adjustments, we can't tinker at the edges, because there's in fact a multi-year period here where we've got softer revenues.

Mr Phillips: I'll just follow up on that. I appreciate your presentation. At the risk of getting the Conservatives angry, I really think the material you provided us, and the other banks, is material we should have provided by the Ministry of Finance. We have no revenue forecasts, no job forecasts; we've got nothing. In my opinion, this committee should be given that information and we should be determining whether your concern, which is that there's a lag and this is not going to be a one-year challenge—you have to deal with it structurally, not with short-term decisions. We should have the information to deal with that. Anyway, that's my little rant. I think all members of this committee should be demanding that information from the government. But that's for another day.

Let me start with your forecast on employment over the next two years, which is on page 2. You're suggesting this year, 2002, virtually no job growth. I think 0.1% is maybe 5,000 to 10,000 jobs, and next year maybe 40,000 jobs. The government had been anticipating, I think, 165,000 jobs a year being created. How did you arrive at that forecast, and is that to be expected or is that an overly pessimistic view?

Ms Webb: It's our base case. It does, however, reflect our concern that employment has stayed remarkably buoyant in Ontario, but also in all of Canada, during the various challenges of the past year and in fact the challenges going into 2002. Therefore, the risk which we have built into that forecast is that we will have companies that held on to skilled workforces because they didn't want to lose workers that they valued but, after a number of quarters of earnings compression, can simply no longer avoid layoffs.

Also, because we look for a very competitive environment in this slow recovery, there will be a constraint

on hiring, a constraint on major business expansions, because of the emphasis on competitiveness.

Mr Phillips: If that is true, if your numbers are true—I remember here at one stage several years ago the Ministry of Finance said that job growth occurs at the rate of real GDP minus one percentage point. In other words, if you have 4% real growth, job growth occurs as a factor of that, because GDP growth is a function of productivity and labour growth. So if we have job growth like those numbers, I think we have for at least two years a fairly significantly rising unemployment rate. I think you said a 7.5% rate in 2002.

Ms Webb: Yes.

Mr Phillips: And it would go up more than that. It would go up again next year with these numbers.

Ms Webb: No, in 2003 we think it will move back toward 7.3% and so by year-end 2003 we'd be down in the 7% range.

Mr Phillips: But didn't the labour force grow more than 0.7%?

Ms Webb: The labour force is larger and, yes, we think you will see the participation rates ease up a little bit as workers become discouraged. Nevertheless, I think it's a fair assessment because 7.5% is still not that high as an unemployment rate. Ontario witnessed far higher rates of unemployment during much of the 1990s.

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Mr Phillips: I appreciate that. I was looking at the number of unemployed in Ontario in January, which was 476,000. I think that's the highest it's been in three years or so.

Ms Webb: Yes.

Mr Phillips: If that number keeps going up, which your numbers suggest it will, at least over the next 12 months—

Mr Gampel: We're also cognizant of the fact that a lot of layoffs have already been scheduled for this year in some key sectors. Obviously that affects especially the auto sector. Those effects ripple down the supply chain as well, so that a lot of that for 2002 is essentially built in. What we're saying is that this rather sluggish period is hopefully on the verge of ending, but it's going to take until 2003 until you see some material results that employment should be coming back strongly at that time.

Mr Phillips: On the revenue forecast, which I really appreciate you preparing for us: have you done a revenue forecast? You've got it here in—I guess I'm asking whether you can provide the committee with your revenue forecast for at least the next year.

Ms Webb: For each province, we do a revenue forecast. Because of key factors—such as, how large is a reversal of potential capital gains going to be?—on this year's forecast I would attach more than a normal degree of uncertainty simply because we want to see the data play out over the next five months. Much of what we can expect in Ontario we will see from federal revenue collections. So the short answer is, I do attach a greater degree of uncertainty at the current time. I would be cer-

tainly willing to provide the committee with my revenue forecast.

Mr Phillips: That would be very helpful. In the absence of anything else, that's the best we've got—not that it isn't very good.

One of the more concerning comments in your commentary was that we shouldn't expect a strong revival in revenue until fiscal 2005. Is that three years from now or four years? I'm just not sure what you use for—

Ms Webb: That statement assumes that the scheduled tax cuts are implemented, which is what the government has indicated they are committed to doing. So that has the corporate tax cuts as well as the very significant personal tax cuts that are scheduled for January 2003.

Mr Phillips: By the way, you mentioned the federal recalculation. We asked the ministry staff yesterday what that number is, the miscalculation on the capital gains from mutual funds, because I'm led to believe that it was as much as \$700 million a year in 1999.

Ms Webb: That's right.

Mr Phillips: Has the bank done any calculation on what you think the impact might be in Ontario on an annual basis?

Ms Webb: Yes. It has sort of played into our estimates, but I think there's still a huge amount of uncertainty. First of all, that wasn't what I was referring to. I was more referring to how tax receipts were coming in at the federal level, because in the fiscal fourth quarter we see a lot of corporate tax adjustments, we see persons starting to file and what they're doing in terms of capital losses. So that was what I was referring to.

For what you're referring to, which was the accounting error that has arisen, the total amount is some \$3.3 billion and the estimates seem to be that over \$2.5 billion of that is in Ontario. I think there's a huge amount still to be determined there. Right now, we still have the federal auditor going over the books, and the provincial auditors all have to agree that what is determined is equitable. Then, in fact, it's back in Ottawa's court about how this eventually works out, and Ottawa does have the ability to extend the adjustment, if there is indeed an adjustment, over a number of years.

Mr Phillips: I'm sorry, I'm not talking about any repayment of that. I'm talking about the impact on revenue this fiscal year and in forward years. If they over-estimated the revenue in Ontario by, I'm told, \$700 million a year and that's built into the numbers, if you take the \$700 million out—not repaying it, but just out of the base—

Ms Webb: It won't be that large, either for fiscal 2002 or fiscal 2003, because we haven't had the capital gains we had in 1999.

Mr Phillips: I understand that, but the minister indicated yesterday that it might be as much as \$500 million annually.

Ms Webb: The estimates are still so broad that the ministry probably has far more information than I would on that.

Mr Phillips: You've indicated something that I'm told is reality; that is, that there's a lag. In other words, when the economy begins to pick up, it takes a while for the revenues to come in, and when the economy is slowing down, it takes a while for the revenues to slow down. You've indicated here, I think, that this year what you call the own-source revenue is about 1% lower than in previous years. Have you any sense of what the decline for own-source revenue in total might be for the next fiscal year?

Ms Webb: For fiscal 2003?

Mr Phillips: The one that's starting April 1, 2002.

Ms Webb: The Ministry of Finance is now looking for a 3.5% decline for fiscal 2002. I don't think it will be quite as deep as that in fiscal 2003. I'll forward my revenue numbers to you.

Mr Phillips: Right. I hadn't heard that number before. They're looking for a decline of—

Ms Webb: The numbers they released yesterday afternoon, the third quarter—

Mr Phillips: I'm thinking for next fiscal year.

Ms Webb: They have not released 2003. What they said for 2002 was that the numbers work out to a 3.5% decline in own-source revenue.

Mr Phillips: And as you look ahead to next year, you think own-source revenue will be down again.

Ms Webb: But not by quite as much.

Mr Phillips: Not by 3.5%, but by some other number.

Ms Webb: I'll forward the numbers to you.

Mr Phillips: Great.

On the job front, once again then, am I right to assume that if these numbers turn out, job growth this year would be maybe 5,000 to 10,000 jobs, and might be 40,000 jobs next year? Is that what you figure?

Ms Webb: Again, I don't mind giving you the actual levels of employment we're forecasting. I can include that in the material I send you. The numbers that are quoted in this table are annual averages. We usually look at the increase fourth quarter to fourth quarter, and I'd have to go back and refresh myself.

Mr Phillips: Mr Chair, I really look forward to the report. I think it would be one, in the absence of somebody else providing us—

The Chair: As soon as we receive it, I'll make sure all members receive copies.

Mr Phillips: Thank you.

The Chair: With that, I have to bring it to an end as we've run out of time. On behalf of the committee, thank you very much for your presentation.

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ONTARIO ASSOCIATION OF COMMUNITY CARE ACCESS CENTRES

The Vice-Chair (Mr Doug Galt): Our next presentation is by the Ontario Association of Community Care Access Centres. Twenty minutes have been set aside for you. After your presentation, whatever time is left will be

divided equally among the three caucuses. As you begin, please state your names clearly for the record.

Ms Susan Donaldson: Good morning. Thank you for the opportunity to speak with you, Mr Vice-Chair and members of the committee. I'm Susan Donaldson, the chief executive officer of the Ontario Association of Community Care Access Centres.

Mr Wes Libbey: I'm Wes Libbey, a board member of the Ontario Association of Community Care Access Centres.

Ms Donaldson: I'm going to first relay to you our presentation, and then we'll have time for questions at the end of that.

The Ontario Association of Community Care Access Centres acts as a provincial voice for Ontario's 43 community care access centres. The 43 CCACs were created almost five years ago to provide streamlined and co-ordinated access to a range of community and facility-based services. In addition to providing individualized case management and arranging home health care, CCACs also manage placement in long-term-care facilities, provide health care services to children in schools, provide information about other community services and refer clients to these services when appropriate.

There was a shared statement put out in July 1999 from the Ministry of Health and Long-Term Care and the CCACs. It stated: "Community care access centres are key to the planning, management, delivery and evaluation of community-based services and, in their unique position as the major broker for long-term-care services, exercise a leading role in the health care system. CCACs coordinate the efficient provision of high-quality, client-centred services for people of all ages."

CCACs contract annually with over 800 provider agencies and individual health care professionals across the province through a managed competition process that is designed to ensure the highest-quality provision of services at the best price.

OACCAC believes that CCACs play a pivotal role in the sustainability of health care in Ontario by enabling people to come home from hospital as soon as possible; delaying or preventing the need for more costly facility-based care; managing access to long-term-care facility beds and ensuring that eligible people with the highest needs have access to beds first; facilitating referral to the lower-cost community service when that's appropriate; ensuring that people receive the right level of home care services for as long as needed, while ensuring timely discharge when services are no longer required; and, finally, by playing a leading role in developing and integrating new technologies, management tools and best practices to ensure high-quality, cost-effective care and service management.

There are certainly challenges facing CCACs. By the year 2006, 1.65 million Ontario citizens will be aged 65 years or over, and this will make up 13.2% of the province's population. There will be 445,700 Ontario citizens aged 80 years and over, and this will be 3.6% of the population. Even with the government's significant in-

vestment in adding 20,000 new long-term-care beds in Ontario, it's estimated that at least 368,700 people aged 80 years and over will continue to live in the community. Many of these people and their family caregivers will need home care services and other community supports to maintain their ability to live at home.

At the same time, hospitals will continue to discharge people quicker and sicker. Between the fiscal years 1996-97 and 1999-2000, the number of referrals from hospitals increased by 26%. Referrals directly from emergency rooms increased by 58%.

In the February 2002 interim report from the Romanow commission, it was stated: "Advances in medical technology and in drug therapies often mean shorter hospital stays and more treatment for many medical problems at home, at a significantly lower cost to the health care system."

There is no doubt that the Ontario government has made a significant investment in long-term-care community services, including home care, over the past seven years. In 1994-95, the province spent \$750 million on home care and placement services. By 2001-02, spending grew to \$1.14 billion, a 52% increase. This investment was planned to respond both to the demands of a growing aged population and to health care restructuring, including an overall reduction in the number of hospital beds in the province.

In 1998, the provincial government announced that \$550 million would be invested over an eight-year period to strengthen community-based, long-term-care services and address historical funding inequities across the province. As of 2001-02, approximately half of this commitment has been invested.

At the time of the announcement, per capita funding for home care services varied significantly across the province, with some areas receiving up to four times the per capita as others. By the year 2000-01, the funding inequities were reduced but not eliminated. In 2000-01, raw per capita funding to home care varied from a low of \$64 to a high of \$152, with an average of \$98 per capita, which can be seen in chart 1.

If we take a look at funding for the population 65 years and over, funding varies from a low of \$606 to a high of \$1,022 per person for those aged 65 years and older across the province. You can see that in chart 2. Finally, looking only at the population over 75 years, and that's the population group that uses most of the home care services, there is almost a twofold difference in funding across the province, from a low of \$1,311 to a high of \$2,428 per person. This inequity continues to provide a significant challenge to the provision of comparable services from one area of the province to another.

Over the last year, the Ministry of Health and Long-Term Care and CCACs have been working collaboratively with the Centre for Health Economics and Policy Analysis at McMaster University to develop an improved formula for targeting investment to underfunded areas.

As a result of the downturn in the Ontario economy last spring, the government advised CCACs that no new

funding would be provided in the fiscal year 2001-02, in spite of the multi-year funding commitment. In addition, CCACs were told that one-time funding provided to cover deficits in the previous year would not be available. At the same time, in order to compete with the pay scale in hospitals and long-term facilities, contracted service provider rates have increased.

CCACs met the challenge and took steps to bring their spending in line with the available funding. The vast majority of CCACs are projecting balanced budgets, and the remaining few with deficits are working hard to bring their spending in line with their funding.

In order to achieve balanced budgets, a significant reduction in services was necessary. From November 2000 to November 2001, the number of clients receiving personal support and homemaking services was reduced by 13.5%, and the number of hours of service was reduced by 24%. The number of clients receiving in-home nursing care was reduced by 23%, and the number of nursing visits was decreased by 18%.

In the fall of 2001, the Minister of Health and Long-Term Care acknowledged that predictable multi-year funding would promote stability and effective service planning in the hospital sector. The OACCAC believes the same arguments apply to the community sector, including CCACs, long-term-care facilities and other community service providers. We acknowledge that multi-year funding commitments may not be feasible in the current economic climate, but we recommend that stable multi-year funding be a longer-term objective for the health care system.

I would like to move to the challenges we're going to continue to face and new ones that are upcoming in the 2002-03 fiscal year. A number of new challenges will face CCACs in the coming year. With the anticipated opening of approximately 7,500 new long-term-care beds this fiscal year, CCACs will have the responsibility of managing access to the beds, coordinating timely assessments and ensuring efficient placement of individuals.

At the same time, these new facilities will be competing with the home care sector for scarce human resources, including nurses, personal support workers and therapists. To attract and retain an adequate supply of skilled personnel, we anticipate that CCAC service providers will be increasing their rates again this year. If CCACs are required to manage within existing resources in 2002-03, further service reductions will be necessary to manage these increased costs.

With the passage of the Community Care Access Corporations Act in December 2001 and the requirement for CCAC board members and executive directors to be appointed by the Lieutenant Governor, there has been significant upheaval in CCAC boards and senior management. At this time, 11 of the 43 CCACs have vacancies at the executive director level; that's 26%. In addition, there are a significant number of new board members, and many boards do not have a full complement of board members. A significant investment in

orientation and training will be required over the next year. The OACCAC has been working with the Ministry of Health and Long-Term Care to share best practices to assist in the development of a provincial training program for board members.

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The CCACs are meeting these and other challenges in a number of ways. There has been significant work regarding a common assessment tool, and last year, in partnership with the Ministry of Health and Long-Term Care, there was a comprehensive review of assessment tools in order to select one for all of the CCACs. It was mutually agreed that the MDS home care tool will be implemented province-wide to ensure consistent assessments. As a first step, the MDS tool will be implemented to ensure consistent assessment for placement in long-term-care facilities. In addition to the MDS home care base tool, additional models will be developed to address assessments for short-stay/post-acute care, pediatrics, palliative care, rehabilitation and mental health.

There is work being done on a resource allocation tool for case managers, along with the Ministry of Health and Long-Term Care, in order to develop a system to allocate and monitor resources by individual case managers to assist them in managing scarce resources and promoting comparable service delivery across the province.

The C3 Council, or Community Care Connects, is in the process of developing a comprehensive information management system for CCACs. The new system is linked to the development of smart systems for health and will assist CCACs in real-time management of services and resources, and provide information to facilitate system-wide planning.

A review of community care access centres was completed by PricewaterhouseCoopers in December 2000. The association continues to meet regularly with the Ministry of Health and Long-Term Care to ensure the implementation of the recommendations of the final report of the provincial review.

Work is being done, building on the success of Ontario's hospital report card, on an accountability framework for CCACs. We're moving forward with the development of a province-wide accountability framework. Like the hospital report card, the proposed framework will use a balanced scorecard approach to measure and report on the performance of individual CCACs on a variety of dimensions, including financial management, patient care outcomes and client satisfaction.

The recommendations we would like to make are:

That there be a continued commitment to the \$551-million multi-year investment in community long-term-care services to ensure that the community system can respond to growing pressures from population aging, health restructuring and cost escalation, and to address historical funding inequities across the province;

If new funding will not be available for community-based services in 2002, that this message be communicated as soon as possible to enable CCACs to plan for necessary service reductions;

Over the long term, that there be a move to a predictable multi-year funding plan for hospitals and community-based services to promote stability in the health care system and facilitate system-wide planning;

That there be continued support for the development of a comprehensive information system for CCACs to ensure effective service management and planning;

Finally, that a period of stability be allowed in order that CCACS can consolidate structural and leadership changes as a result of the Community Care Access Corporations Act.

Thank you.

The Vice-Chair: Thanks very much for your presentation. We have approximately a minute per caucus, maybe slightly over.

Mr Hardeman: Thank you very much for the presentation. I wanted to just quickly, with only a minute available, go to page 3 of your report where it refers to the variations in cost per capita from \$1,311 to \$2,428, and then to your suggestion that we need to look at the areas where we are underserved. Obviously at \$1,300 and below, people must not be getting the quality or the types of services that they require. The question, though, really does become, is the right amount somewhere between the two, or would it be your contention that the only way we can go is to provide \$2,428 per capita for home care services across the province?

Ms Donaldson: I think there are two parts to answering that. One is that we believe that if the remainder of the multi-year funding were to be applied to the areas which are seriously underfunded, that would go a significant way to addressing the difference.

The multi-million dollar question, and that's one we're struggling with and would like to be part of a discussion about, is whether in fact instead of red ringing, there be some reallocation of dollars within the system. Once those equity funding dollars are in, the picture takes on a slightly different look. I don't have those figures exactly in my head, but we do have that available in a macro look. Of course, we don't know ourselves where those will be applied, so that would need to be a joint discussion, I believe.

The Vice-Chair: Mr Phillips?

Mr Libbey: May I answer the question as well?

The Vice-Chair: If you can very quickly. We're way over time.

Mr Libbey: If we were to average it out, and I examined it from my CCAC, which is eastern counties, I feel that the level would be too low. So I believe we have to add some money to get the consistency. To just average it and play Robin Hood on a gross basis, I think we'd get the wrong answer. I think it would be just too low a level of service to meet the needs.

Mr Phillips: I get more complaints about this than anything else in my area. I don't know what's going wrong, but something is going terribly wrong. I've had some recent dealings with the CCAC in my area, with some considerable concerns. I'd just let you know that,

the high level of dissatisfaction, at least in the area I represent, which is the Scarborough part of Toronto.

Just so I understand what your request is, there was a \$555-million commitment, and I gather roughly half of that has already been allocated, so you suggest another what?

Ms Donaldson: What we're suggesting is that we understand how the rest of—no dollars were flowed during the past previous year. We don't know how those dollars are going to be flowed out within the rest of the period of time. Not knowing in some circumstances often until quite a considerable way through the year what those additional dollars are going to be makes planning for the provision of services more difficult than it needs to be.

Mr Christopherson: Thank you for your presentation. I must say I share the sentiments of Mr Phillips as an individual member. Also, I've got to tell you straight up, you've got to be one of the tamest provincial umbrella organizations to come in and talk about health care in terms of what you've reported and the recommendations. It's nice that you're very polite and kind, but it's pretty tame given some of the nightmare stuff that's going on out there. I would have hoped you would be a little clearer, but that could be for other reasons.

I want to point out that this whole notion of what happened between November 2000 and November 2001—it talks about "the number of clients receiving personal support and homemaking services was reduced by 13.5%, and the number of hours of service was reduced by 24%. The number of clients receiving in-home nursing care was reduced by 23%, and the number of nursing visits has decreased 18%." From everything I can see in my community, those numbers reflect real people who lost services, and they aren't just efficiencies or cutting out the fat or playing with numbers. Every one of those percentages represents real people who are getting less care than they were getting before.

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Ms Donaldson: Or no care.

Mr Christopherson: Or no care. Exactly. That is why I made the comment about a tame presentation. Given what's out there, my opinion is you should have been in here pounding the table, almost, with your shoe, saying that this is totally unacceptable and something's got to give. Because the level of service—

The Chair: What is your question? We're running out of time.

Mr Christopherson: The question is, do I understand this correctly, that the government promised you multi-year funding and then just cancelled that and said no?

Ms Donaldson: There was none rolled out last year. We want to be sure that that equity funding is continuing to roll out, and know how it's going to roll out.

Mr Christopherson: But all you've said is in future years they should have stable funding. You really need the multi-year funding, announced now.

The Chair: On behalf of the committee, thank you very much for your presentation.

CAMPAIGN AGAINST CHILD POVERTY

The Chair: The next presentation will be from the Campaign Against Child Poverty. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Caroline DiGiovanni: My name is Caroline DiGiovanni.

Mr Gerald Vandezande: My name is Gerald Vandezande. I'm the volunteer spokesperson for the Campaign Against Child Poverty.

Brother John Buckingham: I'm Brother John Buckingham.

Mr Charles Seiden: I'm Charles Seiden; I'm the executive director of the Canadian Association of Food Banks.

Mr Vandezande: Thank you, Mr Chairman and committee. This is not the first time that we are appearing before this committee. As you know from previous occasions, we are deeply concerned about the well-being of Ontario children and their families, particularly those who are quite vulnerable and often voiceless.

I listened carefully yesterday to the presentation made by the Minister of Finance, and also sat in on the press conference. Last night and early this morning, I carefully went through the materials that were tabled by the minister and his deputy, Dr Christie. I checked every one of their statistics, because by background I'm an accountant. I followed with fascination some of the questioning that was going on this morning and yesterday around growth rates and all that. What really struck me is that the speech by the minister and the documents filed by the minister and his deputy make no reference whatever to any of the people who should be near, if not at the top of, the agenda; namely, those people whose families are very vulnerable, those children who are voiceless. There are 6,000 living with their mothers in Toronto shelters alone every night. There's no reference to the homeless. There is no reference to the unemployed. There is no statistic of any kind by the minister or his deputy about any of these needy neighbours in our province who often face desperate situations. Their daily struggle for survival is really tough.

I think it would be very wise for this committee to strongly recommend to the ministry that accurate statistics describing the actual situation of these vulnerable citizens be part of future presentations by the minister, so that advocacy groups like our own can appear—can not only appear, but also engage the minister and this committee in the plight of people who often have to spend their lives on the street.

We have also tabled with the committee the copy of the *Globe and Mail* that you have. We have a complete set here of all the advertisements that have been run in the *Toronto Star* and the *Globe and Mail*, for the use of the committee. We don't have the money to make a copy available to each member. They are available, I'm told, for \$10 each.

If you look at the ads, you'll see that 400 faith leaders across Canada, many of them in Ontario, signed this appeal, which was at that time primarily addressed to the Prime Minister, asking for his official help with respect to the plight of children. We extend that same challenge to you, saying that without your help as a standing committee, without the government's help, without the opposition party's help, these children and their families indeed won't have a prayer. The faith leaders deeply believe—and many of them are involved in Out of the Cold programs and other community services—that in our prosperous country we can make a united effort to make sure that these vulnerable people do have a chance.

I want to make a brief reference to the speech that was given by the minister yesterday. I refer you to the section on page 8. After reciting all the good things about Ontario, the minister refers to his consultations with the people of Ontario. I notice that throughout that section of his speech, only positive comments are made that support the government's particular stance with respect to deficit and debt reduction etc. No reference is made, as I already indicated earlier, to what I call Canada's forgotten people—Ontario's forgotten people—because they're being abandoned, increasingly, and we are prepared to say more about that. We just hope that the minister, in future presentations, not only in these documents but also in his speeches, expresses some serious concern for the plight of fellow Canadians. Not a word of it was said by him during the press conference.

I now turn the mike over to my colleague Caroline, who will address the benchmarks that we propose.

Ms DiGiovanni: Thank you to the members of the committee for hearing us today. I'm employed by the Catholic Children's Aid Society of Toronto, so I became involved with the steering committee of the Campaign Against Child Poverty in order to advocate for the families who are served by child welfare. These are the families who really are struggling with actually maintaining their households.

Over and over again the overwhelming reason that there is an involvement with child welfare is a lack of resources to just put food on the table, to maintain stable housing and to be able to be good and supportive parents. While there has been a considerable amount of attention on child welfare services in the province and protection for children, the lives of the families affected by the economy continue to deteriorate. It's important for all of us who work with families touched by these serious issues that we can come forward, come together and work with you. You'll hear in a little while from the food banks also and from a drop-in centre on Queen Street.

What we've done, though, in working with governments over the last several years is to bring forward actions that we think are doable, things that you can consider and put into your planning. We did meet with Minister Flaherty and specifically brought forward some of our issues several months ago. I'll be reiterating some of those things for the committee members.

Benchmarks are always useful, so we have a set of those in the policy paper that we've brought forward. The

first benchmark is that the provincial budget present a five-year social investment plan for Canada's children with clear national objectives and targets. If you give yourself five years, you can work toward incrementally reducing the level of poverty that affects children—especially children under the age of 12, but all children, of course.

Budget benchmark number (2) is that there be a provincial government commitment to redirect at least 1.5% of the projected GDP in 2005 to investments in children and families to meet your core objectives. This gives you a mechanism to work into budget planning that we think can produce good results.

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(3) That there be a provincial government commitment to improve child benefits for all low-income families to achieve a 50% reduction in the depth and level of child poverty by 2005. A little bit higher up on the page there are statistics about the increase in child poverty levels. Even families with jobs, often part-time jobs or jobs that are easily disposed of by companies, struggle to maintain some kind of reasonable family life. If there can be some support mechanism for families in the low-income category, in particular those who are working and trying to have some dignity, and also those who are on welfare, trying to regain their place in the larger community, overcoming whatever crisis has put them in that situation—some dependable support to assist in keeping the family together is really what we're asking for. We think the mechanism of a provincial budget can identify this and find ways to meet it.

Of course, we have given the same message to the federal government, because they must work together with the provinces. We have called on them to give substantial leadership to anything that needs to have a national program.

(4) That there be a provincial government commitment to invest in a basic foundation of early childhood development services for all families. You've done a great deal of work talking about the information you got from the Fraser Mustard and Senator McCain report. Now it's time to put those pieces into action.

(5) That there be a provincial government commitment to invest in increasing the availability of affordable housing. We can't emphasize enough how important this is for family stability. If the housing market is squeezing them out, where will they go? You have to ask yourself that. If they move every month, there is no stability in their life and it begins to deteriorate. So housing is extremely important for families and for children.

(6) That there be a provincial government commitment to substantial improvements in the base child tax benefit for modest- and middle-income families, in addition to improvements in the child benefit system for low-income families as proposed in benchmark (3).

(7) We want also a federal government commitment to national investments, in co-operation with the provinces, in programs that freeze and lower tuition fees for post-secondary studies. This is the way people can improve

their skills and their availability for the high-tech and information job market.

(8) That there be a federal government commitment to establish, in co-operation with the provinces, a national commission to develop strategies to improve the availability of jobs, because housing and support for families require also assistance and attention to developing jobs. There needs to be a national strategy in which the provinces work together.

That's my input in today's presentation, but I'm happy to answer questions when the question period comes.

Mr Vandezande: Just for your information, connected with benchmark (6), we've filed with the committee—and each of you should have a copy—a copy of the report that was issued the other day at a two-day conference at the University of Toronto, where I participated, which describes the concerns of the Housing and Homelessness Network in Ontario.

John Buckingham will now share with us some of his experiences.

Brother Buckingham: I thank you for giving me this opportunity to speak. I am working among the poor. I'm working at a small service centre, called St Felix Centre, near Spadina and Queen. I speak to you from the experience of every day, my own experience. I'm going to give you three incidents out of my experience, just to share with you what is happening from my viewpoint.

I have carried in my arms a two-year-old child for over a month, following a single mother around. The single mother was looking for a place to stay. She had a limited amount of money. She was on her own. She was concerned about things like, "How close am I to a laundry? How safe is it where I am going to live with my child?" Also, whenever she mentioned that she was on welfare, there was a reaction among the people she was seeing, the landlords she was seeing. Out there right now, landlords do not want welfare recipients in their buildings.

In the area where I am working, I'm on the edge of a large low-rental housing complex with 420 housing units in two apartment buildings. Most of the people who are there are of immigrant backgrounds. Some 70% of those in that area are single parents and 63% are on assistance.

I am hearing of a number of cases where the single mother has brought over from her country, whether it's India or China or whichever country it is, the grandparents or the parents of the particular single mother. They leave the country in six months following that and they take their grandchildren with them, because the single mother cannot get out to work. So we're sending children to Third World countries so that the mother in this country can work and find ways to bring back her children. This astounds me, but it's happening. There is so little subsidized daycare out there right now.

I want to give you another example of daycare. A woman I was speaking with recently told me that she had twins. When the twins were two years old, she applied for subsidized daycare. She received a phone call a month before their eighth birthday to say that the agency had room for the children.

I told the people today that I was coming to speak to you. They are saying they can't wait to hear my report tomorrow about how I was received by you. Thank you.

Mr Vandezande: Charles Seiden is the spokesperson for the Canadian Food Bank Association.

Mr Seiden: Thank you for the opportunity of presenting. I distributed the report HungerCount 2001, and on page 6 it talks specifically about Ontario. Despite a period of tremendous economic growth in the last few years, the numbers are tragically similar for the last three years. On page 11, if you go through the report, a serious thing has happened in the last few months as a result of the economic downturn, in that some of the food banks in Ontario are experiencing dramatic increases. I've given you the report and I'm sure you've read it, or you can read it, but this is a tragedy beyond which I have had any personal experience up to this point.

I came to the Canadian Food Bank Association thinking that certainly Ontario can't have that severe a problem, but think about 300,000 people a month coming through the food bank to look for food. I invite you all to visit, if you haven't.

On page 16 there's a point that's made that this was supposed to be a temporary solution and that the voluntary sector, because of a withdrawal of services in a number of areas that are outlined by benchmarks, is being asked to do a job that it's not designed to do. It's not designed to feed and deal with the type of people who are coming in for help.

The final thing I'm going to say is, what we're asking for in supporting the benchmarks is really not money, because food banks in Ontario do not take money from the government. We're asking you to act on conditions that will reduce or take away the need for food banks. What was begun as a temporary solution has become institutionalized and it's growing. It is a terrible, terrible situation in a country like ours that the use of food banks is increasing. It's a totally unacceptable solution to a problem that needs to be addressed. I think the benchmarks offer a positive way to deal with it.

That's all I have to say. Thank you for the opportunity.
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Mr Vandezande: Those are our submissions at this point. We'll be glad to answer questions, Mr Chair.

The Chair: I'm afraid there won't be any time for questions because we've used the entire 20 minutes.

Mr Vandezande: Is there a chance for us to meet with the committee after—

The Chair: Well, I have another group and we have a number of groups this afternoon, so I have to maintain the committee on time. So, with that, I would like to thank you on behalf of the committee for your presentation this afternoon.

Mr Vandezande: Thank you.

READY MIXED CONCRETE ASSOCIATION OF ONTARIO

The Chair: Our next presentation will be from the Ready Mixed Concrete Association of Ontario. I would

ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome.

Mr John Hull: Thank you, Mr Chair. My name is John Hull. I'm the president of the Ready Mixed Concrete Association of Ontario.

Mr Dennis Zuliani: Good afternoon. My name is Dennis Zuliani. I'm here representing the Ready Mixed Concrete Association of Ontario.

Mr Hull: Mr Chair and ladies and gentlemen of the committee, I appreciate the opportunity to sit here before you. My challenge is to make you all concrete experts in the next 20 minutes, and while it's not a terribly complicated industry, it's complicated enough.

To understand our plight, if you will—this is the only concrete truck I could get in here today—I'd like to start off with having you understand a little bit about the association. You have the report; it is the complete report in front of you. I will not read it word for word, but I'd like to give you just a few points.

The Ready Mixed Concrete Association was formed in 1959. We represent 97% of the industry. It's over a billion-dollar industry. Concrete is not cement. We don't have cement sidewalks; we have concrete sidewalks. The cement industry, which we are partnering with, obviously, is about a \$2.5-billion industry—so rather large—in just sales alone, never mind capital.

The premise of the concrete industry is this truck right here. It costs about \$160,000. It's ordered in two parts: the truck and chassis are ordered as one, and then on top of that the mixer and the power takeoff and the controls. Because it's licensed under the Highway Traffic Act, we pay provincial sales tax on the truck; the mixer, because it's deemed part of the manufacturing process, has no provincial sales tax applied to it.

Also important to understand is that when the truck is started at the beginning of the day, the process is that the power takeoff will take power from the engine and turn the mixer, and the mixer will never stop from the time the truck starts to the time the truck stops. It's simply a matter of the way we have to operate. We put water in the mixer at the beginning to make sure the dry materials or other materials don't stick to the mixer, because we'd never get them out. So it's in a continuous state of motion whether it's mixing, discharging, or just sitting there waiting for the next load.

There are approximately 300 concrete facilities and 3,000 concrete mixers in Ontario. We have producers in every municipality, and certainly in every riding.

I said I'm not going to read every line, and I'm certainly not going to, but in the middle of page 4 is the breakdown of the truck time:

The truck will be on call 6% of the time.

Materials, which are cement, sandstone and water, are weighed from a particular plant, all computerized and so on, and then fed into the back of the truck or the hopper. That takes 8% of the time.

It then mixes. This is the sole purpose of the mixer: to accept the material, mix it and then be able to discharge, and obviously transport as well.

The mixer delivers the concrete to the job; that's 12% of the time, on the road.

The truck unloads concrete; that's 34% of its time.

Return to the plant takes 18% of its time.

So, hopefully you have an understanding of what the truck goes through.

We did a study or we began to look at the study of provincial fuel tax based on the fuel that's used in the truck. The fuel that is used to run the engine is also the fuel that is used to run the power takeoff. So right now there's an allowance through a provincial fuel tax refund, and I've put that formula in here. The formula that is used—and it sounds very easy for us to say because we're so used to the concrete industry and the fuel tax rebates and so on—is 0.8 litres per cubic metre of concrete delivered over a year times the provincial fuel tax, which is 14.3 cents. I'd like to leave that, and I'll come back to it.

In 1996, the British Columbia Ready Mixed Concrete Association did a study of fuel to find out how much fuel was used in the concrete truck as far as transport and how much fuel was used relative to the manufacturing process of the mixer. In 1997, the BC Ministry of Finance put out a new policy that said that 50% of the fuel would be tax-exempt from provincial fuel tax, as allowed for the power takeoff unit.

In Quebec, in 1999 and 2000, they did quite an extensive study, a very large study, over 300 units. They found that about 65% of the fuel was used in the manufacturing, so that's to drive the mixer. They approached the Quebec Ministry of Finance, who at that point had nothing—no policy, no format for any fuel rebate. They immediately got 25% and they are sitting down with the ministry again—or still, should I say?—and they're asking for 50%. Now, as I said, their study showed 65%.

Last year, Ontario, to compare ourselves to the BC and Quebec studies, undertook a small study. We hired a third party engineer, or an independent engineer, and he was working with the people of Mack Trucks. Mack Trucks is a pretty common manufacturer of vehicles for our industry. They have computer software and so on, so they were able to pull information off that related to fuel use and load restrictions on the truck, or loads on the truck itself. We found about the same, actually: 51% was used in transit.

Page 6 will just give you a breakdown of what we've already talked about.

I'd like you to go, if I may direct you, to page 8. On page 8 we have two things to accomplish yet. One is to understand that the current method of fuel tax rebate is not fair.

The top box, if you will, "Industry comparisons": we represent producers, anybody who will make 1,000 cubic metres a year to over a million cubic metres a year. So there's a huge range in the size of companies. Some are corporately owned; some are publicly owned. Many are entrepreneurs. But the issue is, if you look at producer 1, where it's 10,000 cubic metres, the formula would then be applied and—I'm going to back up. The unfairness of

the 0.8 litres per cubic metre comes out in the average load size. If you have an average load size of seven and you go over to producer 4 with an average load size of four, his tax rebate will be half of what producer 1 will get. Simply, the formula rests itself presently on the fact that everybody produces the same load size of concrete, but we don't. Some companies, because of the types of jobs they have, will have varying load sizes. Some will work on weekends and have smaller load sizes, depending on the geographic area perhaps. But there is no one load size in the province of Ontario for a producer. So some will be penalized because they have a smaller average load size, simply because of the nature of the business they're in.

Box 2, the middle box, is the current policy, which shows 0.8 litres per cubic metre of concrete delivered times 14.3 cents a litre. The net fuel cost per cubic metre is the bold third line from the bottom in the middle box. You can literally see the inadequacies or the unfairness. One producer's net fuel cost is \$1.34, while the smaller, usually more entrepreneurial producer is paying more. So there's an absolute inequality.

What we would like to recommend is really what they found in BC, what they found in Quebec and what our small study in Ontario has verified and substantiated, where 50% of the fuel is used to drive the manufacturing portion of the business. We would request a 50% fuel tax rebate or refund on fuel purchased. This would allow an equal opportunity for all producers to have exactly the same refund. There are more charts—everybody loves charts and graphs. We have more charts on page 9.

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The last point I would like to make, and I don't know if Dennis would like to add anything to this, is that this is not an incentive tax refund we're after. This is simply a fairness tax, one to make it fair from producer to producer, no matter whether you're small or large. Some producers will have three trucks and some will have 300 trucks. The other is certainly to have a fuel tax rebate that reflects the true nature of the industry. Half of the fuel goes to manufacturing, and half of the fuel goes to drive the truck on the road.

Mr Zuliani: My only comment, if I could just step in—and I don't know if it's for clarification purposes, perhaps. On that first chart on page 8—again, sometimes it can be confusing with respect to volume and load sizes and all the rest of it. When John was referring to 7-, 6-, 5- or 4-metre load sizes, it really does equate to the number of trips required to deliver those loads of concrete. So you'll see that producer 4 needs to deliver 2,500 loads of concrete in order to ship 10,000 metres, and producer 1 only needs to ship 1,400 loads to get that 10,000 metres out. Obviously, shipping 2,500 loads is going to consume more fuel, yet the rebate is inequitable between the two producers.

The Chair: Does that complete your presentation?

Mr Hull: Yes.

The Chair: Then we have approximately two minutes per caucus, and I'll start with Mr Phillips.

Mr Phillips: Thank you very much for a little change of pace for us. On the surface, you've got a very strong case, although we've all learned that sometimes we hear one side of the story and we haven't heard the other side. But my question is, have you presented this to the government, and have they said no, or are you awaiting a response?

Mr Hull: The latter. We presented to the minister's office three or four weeks ago now, I think. We had senior policy advisers there, and so on, and we are waiting for a response. In the meantime, we had the phone call to appear here.

Mr Phillips: On the surface, it looks like it's simply that when the formula was determined some time ago, it was based on incorrect assumptions, and the formula doesn't reflect reality; it's simply a miscalculation. So I appreciate your being here. Three or four weeks is not an inordinate amount of time for government to get back to you. At least you've not heard that they've considered the case and the answer is no. Again, just on the basis of the presentation, you seem to have a logical case for fairness. I guess the committee could certainly consider it, but if it is as it appears in this brief, it seems like a fairly straightforward case.

The Chair: Mr Christopherson.

Mr Christopherson: Thank you for your presentation. It takes me back to a previous life, when I worked in the parts department for International Harvester trucks in Hamilton. Those rigs and PTOs and all that are very familiar to me. I was getting back into my old lingo. I'll start coming up with part numbers before you know it. Wrong ones probably; they were then.

I'm curious about two things. First, what is the total dollar value of the industry in terms of the rebates? I guess it would be the net dollar figure to the provincial government in terms of the rebates. Secondly, and you may have touched on this, how do we fare relative to all the other provinces? There are two other provinces you mentioned in terms of recent studies and changes they've made as a result, but what about the other provinces? How do we fare?

Mr Hull: To the last question, we're members of the Canadian Ready Mixed Concrete Association of Ontario, and all the provincial or regional associations are members. We just started to look at this a year and a half ago, so as far as the comparison versus BC—blame BC; BC started it all—all the other provinces are looking at it as we speak. They don't have the results yet. So it's Manitoba, Saskatchewan, Alberta and the Atlantic provinces. Actually, Manitoba has a system in place now, but I can't recall what it is. But I know they are looking at BC and Quebec and then what happens with our study here in Ontario.

To the first question, the only numbers I can give you are on page 9. The province-wide impact, based on our 2000 production year—we don't have final numbers in for the 2001—is nine million cubic metres of concrete. For purposes of this presentation, we did take an average load size. We had to use some number, so we took an average load size of six. With the current method, the

resulting refund is just a little over a million dollars, and with the new method, \$2.35 million or \$2.4 million. So it's not a great deal of money relative to the kinds of dollars that are being talked about in the press these days, but it means a lot to the ready mixed industry. As I said, a lot of our members, most of our members, actually 90%, are small producers. They are the entrepreneurs, the mom-and-pops, the owner-operators. It's just to make everything fair across the board.

The Chair: Mr Hardeman.

Mr Hardeman: Thank you very much for the presentation. I was very interested. I spent a little over 30 years in the feed manufacturing business using exactly the same operation with the feed mill on the back of a truck, and also having to rebate the fuel tax based on the amount of tonnage of feed that was processed each year. I too would have much preferred just to have a percentage of the fuel being allocated toward the manufacture of feed.

But isn't there an inherent problem with doing that? I know that the two provinces you mentioned do that. When you're calculating the cost of production for a cubic metre of concrete, the cost of the fuel to do that is incorporated based on the operation.

Mr Hull: Based on the load size?

Mr Hardeman: Based on the process of doing that. So if you have a larger truck, isn't the cost of the fuel to mix nine cubic yards more than the cost to mix six cubic yards? Doesn't it take more fuel to do the larger?

Mr Hull: One of the surprising things that came out of the study was just that, a surprise. The amount of fuel it takes to load or to mix six metres versus nine, for example, really might go from 21 litres to 23 litres a load. The immediate use of fuel or how you use the fuel from the PTO is on instant load of the mixer. Once you have some concrete on there, it's almost irrelevant, which was a surprise to us. We thought that, yes, the nine-metre load would take substantially more than the six, but that's not the case. We used 22 litres per load. I think the range was probably 21 on a light load to 23 on a heavy load. But we have to try to use some averages here.

Mr Hardeman: Doesn't that create a problem with the other part of the cost of the fuel too? How is the operator of a small truck or mixer supposed to make money if the cost of the fuel for mixing is the same, whether he's mixing 12 yards or six yards?

Mr Hull: It's standard across the industry right now. So what would apply to me in the industry would also apply to you. But again, the unfairness of this is that if your average load size is larger through the month or through the year, then you could be refunded twice as much as I would, and there's the inequality of it. I hope I'm answering your question.

Mr Hardeman: Yes.

The Chair: With that, I have to bring it to an end. On behalf of the committee, gentlemen, thank you very much for your presentation. This committee will recess until 2 o'clock this afternoon.

The committee recessed from 1300 to 1401.

CITY OF OTTAWA

The Chair: Good afternoon, everyone. We'll bring the standing committee on finance and economic affairs back to order. Our first presentation this afternoon is from the city of Ottawa. I would ask the presenters to please come forward, and could you state your name for the record, please. On behalf of the committee, welcome.

Mr Rick Chiarelli: Good afternoon, Chair, and members of the committee. My name is Rick Chiarelli. I'm a councillor with the city of Ottawa and deputy mayor. Beside me is Dick Stewart, general manager of people services at the city of Ottawa. We're here today to participate on behalf of the city of Ottawa in your pre-budget consultations.

I'm a member of the health, recreation and social services committee of the city. We recently had a very impressive presentation from the city's own poverty issues advisory committee on serious issues facing low-income families. Ottawa city council feels that this issue is so disturbing and important for all levels of government, provincial and municipal, to address together that they passed a motion to direct us to make this presentation to you here today.

We all know that, as governments, we must invest differently in our economy in the 21st century to ensure our future prosperity. We used to focus our economic investments on hard infrastructure like roads and sewers, but now we need to make significant investments in our people to succeed in the knowledge-based economy. We are here today to ask you to make three strategic investments in low-income families in your upcoming budget to support healthy child development so that these children will be able to reach their full potential in their communities and in the future workforce.

I'll now ask Dick Stewart to outline for you the details behind our concerns and our specific request for investment.

Mr Dick Stewart: Thank you, councillor. Mr Chair and members of the committee, I want to begin by congratulating the government of Ontario on their Early Years initiative and the goal of supporting healthy development for all children in Ontario. That is a laudable achievement and goal, and the city of Ottawa supports the government wholeheartedly with that objective.

We're here to tell you, however, that low-income children are not able to truly benefit from that initiative due to their inadequate incomes and high housing costs. The children of low-income families are at much higher risk of not being successful in the Early Years initiative and of not becoming successful adults.

We are recommending, as Councillor Chiarelli has indicated, three strategic investments that we would like you to consider for your pre-budget considerations that support both families on social assistance and the working poor to give their children the best start they can and to mitigate that risk I've referred to. These three, very briefly, are: the elimination, over a period of time, of the clawback of the national child benefit from the

Ontario Works and ODSP benefits; second, we would like the government to consider reinstating some of the previous rules with respect to the supports to employment program, aka STEP, which would result in more earned income staying in the pockets of working parents on social assistance; and third, we would like you to consider strategic investment in more funds for the rent supplement program and some structural changes to that program.

I want to give you a few examples of how severe this problem is in the city of Ottawa. There are 30,000 children under 12 years of age growing up in low-income families. That's 25% of all the children in the city of Ottawa from 0 to 12. The 1996 census shows that 15% of all families are living below the low-income cut-off. Just as disturbing and, in fact, the increasing trend, is that children of working parents are also living on low incomes. That number has increased from 1989 to 1997 by 142%. People are certainly out there working and doing their darndest to provide the wherewithal for their children to succeed, but because of the wage rates etc, they are unable to do that. These children, we submit to you, are at a high risk of not being successful, in spite of your Early Years initiative and in spite of all the efforts being made by your government, the provincial government, and the community partners, including the city of Ottawa.

In the city of Ottawa, we've done some interesting work in the last year and a half to determine what is a livable income, what would be required in terms of the finances for a family to actually support children properly. I'm not going to go further into that in our presentation. It's in the material that was distributed to members of committee, and we would encourage you to look at that.

What this does show, though, is that social assistance families and those families at minimum wage or slightly above are earning or receiving approximately one half of what would be considered a livable income in our city. These families cannot afford to pay the rent and still have enough money left over for proper nutrition, a nutritious food basket for themselves and their children; to enrol their children in any kind of extracurricular activities; or to ensure they have the educational aids and supplements that are so important to early childhood development and success in school. Seventy per cent of all the families on social assistance in our city who are in the private rental market are robbing their food budget to pay their rent.

We have a housing crisis in our city. It's a crisis that can be manifested by the fact that 22,000 children live in families where they pay 30% or more of their income toward the rent. Our vacancy rate today is 0.8%, and in the last four years we've had a 25% increase in rent costs, according to CMHC average rents.

We are urging the province of Ontario to make three strategic investments. Our council is of the opinion that the most strategic investment you could make would be to consider substantially increasing the social assistance rates. Notwithstanding that opinion and that point of

view, we're bringing to you today three strategic investments we would like you to consider.

The first is the elimination of the national child benefit clawback. We're proposing you consider doing that over a three-year period. If that was to happen, at the end of that three-year period it would be transferring \$190 million in total to families with children on social assistance in this province, of which \$150 million would be a provincial expense and \$40 million would be the expense of municipalities. This funding would be specifically targeted for families with children, resulting in better capacity for those families to pay rent, ensure a nutritious food basket, etc. To give you the optics of what that really would mean to a family of two children, it would mean that \$192.50 a month would be retained by them when they receive the national child benefit cheque from the federal government and would not be considered income by the social assistance system.

As the second strategic investment, we would like you to consider reinstating a specific rule with respect to social assistance in the STEP program. About two years ago, MCSS announced that the 25% additional earnings exemption would be phased out over two years, to the point where at two years of continuous part-time employment, that 25% extra deduction is lost. This directly affects the disposable income of the poorest of poor families in our communities, not only in Ottawa but all over Ontario. We would like you to reconsider that exemption and reinstate the original rule.

Many of our families are only capable of finding part-time work, particularly single-led families. It's important that they stay working and it's important that they be reinforced and supported in that work. We believe that this would actually result in higher disposable income and have a positive effect on the outcome for poor children.

Third, we believe that the housing crisis in our city deserves some considerable attention. We need the province's help to do that, to address this issue. The objective is to increase affordability and availability.

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To do this, we are urging this government to consider an increase in the number of rent supplements available to private sector developers. We also want you to consider a change in the structure of this program. Currently, rent supplements are only funded for a five-year period. The government is transferring, through the Ministry of Municipal Affairs and Housing, federal money to municipalities for rent supplements. That transfer is only guaranteed for a five-year period. We are asking you to consider that when we are engaged in negotiations and discussions with the private sector to build affordable housing, when we say there's a limitation on rent supplements of five years, they are less interested in using that as an avenue to increase affordability. We want you to consider putting fresh provincial money into rent supplements and to consider a longer period of commitment, to make our ability to work with the private sector more beneficial.

I want to give you a brief statistic to show you how important stable, affordable housing is. There were 3,500 economic evictions in the city of Ottawa last year, and a growing number of homeless families. For each child whose parents lose their housing and move, there is a minimum of three school moves for that child. We have documented this fact. Moving from school to school, as you can appreciate, interrupts the education process and challenges children already challenged to be successful at school. We all want them to be successful.

In conclusion, then, we are facing a significant number of children in the city of Ottawa growing up in poverty. We believe the Early Years initiative, as introduced by the government of Ontario, is intended to support all children across the province. We laud that. For the Early Years initiative to be successful with low-income families, we must deal with income adequacy and the housing challenges facing those families. I'll remind you, there are 30,000 children in our city in that circumstance. Without the strategic investments that we've actually considered today, we believe the Early Years initiative of the provincial government will fail low-income children.

The Chair: Thank you very much. We have two minutes per caucus and I'll start with Mr Christopherson.

Mr Christopherson: Right off the top, given the area of expertise that you bring to the table, the finance minister has suggested that if he becomes Premier, he'll pass a law that makes it illegal to be homeless. Can you give us your thoughts on that?

Mr Stewart: My thoughts are that I would hope that the government, before they do that, would look seriously at the Mental Health Act as the first piece of remedy to one of the most profound social problems we have. That is when people in our society have the freedom of choice to enter into treatment and stay on the street or not, that they actually are harmful to themselves. I think the Mental Health Act would be the place to start, and not outlawing homelessness, as I understand the proposal is.

Mr Christopherson: When you talk about the national child benefit, I don't think there's anything that rankles more than that. The federal government, as part of their commitment to providing a minimum standard of living to all citizens, says, "If you qualify, here's a benefit for children, based on the number of children you have." That's given directly to individuals. It's a direct transfer from the federal government to individuals. Then this government comes along and takes it. I don't think there are too many provinces that do that. I don't know how many there are, but I don't think there are too many.

Mr Stewart: Actually, all provinces, with the exception of Newfoundland, Nova Scotia and now Manitoba, do claw back the NCB.

Mr Christopherson: I don't understand how any of them can justify that. I don't care which governments they are. You say some of them have actually gone to it? They didn't before and now they do?

Mr Stewart: No. At the outset of the agreement between the federal government and the provincial governments, all provinces initially indicated they would

claw it back. At the 11th hour, Newfoundland and New Brunswick refused to do that. Now I understand that Manitoba has also reversed that decision and does not claw it back.

Mr Doug Galt (Northumberland): Thanks for your presentation. Looking at the realistic recommendations that you're making to the committee—some of the recommendations that we've had in the past were really far out and a little difficult to address. But everyone who comes forward, certainly their concerns have merit.

I'm not sure if you're the right people to help me on this, but I'm struggling with this rental. We've had others come forward. The rents are going up—and it seems to be in the major cities, because certainly in my riding I'm not seeing those kind of rent increases—but at the same time we're also hearing from the construction industry the numbers of new starts and the numbers of new houses that are being built. You would think logic would tell me that it should be draining some those apartments into these new homes; and our population isn't expanding that quickly. What's driving the rental rate up so much in centres such as Ottawa and why wouldn't some of those apartments be vacated and the vacancy rate going up when there are so many houses being built?

Mr Stewart: I think it's as simple as that our population is growing, and growing rapidly, in the city of Ottawa. In other large metropolitan areas in Ontario, I think it's the same thing. So you have a supply-and-demand issue. We've noticed a slight increase in the vacancy factor with the economic turnaround. Our vacancy factor a year ago was 0.2%; it's now 0.8%. So it's gotten modestly better but it's simply supply and demand. There are a lot of new housing starts in the city of Ottawa and a lot of new condominium starts etc, but rental housing is as rare as hen's teeth, any sort of rental housing being built, and what is being built is high end and the trickle up isn't working because of over-demand.

Mr Galt: For the first time ever we have a net movement of people from the big centres, the cities, out into rural Ontario. So at the same time they're moving out, they're not moving in, which is what had been occurring since the turn of the century up until the last few years. Now the net movement is from the big cities out to the country. That's statistically there, which adds to my confusion why this should be occurring in the bigger centres.

Mr Stewart: I appreciate that in some places in Ontario there may be a migration to the rural areas. There's a net inward migration to the new amalgamated city of Ottawa. It is enormous and it is actually exacerbating what was already going to be a housing issue. We're in crisis.

Mr Phillips: There's so little time to ask questions. One quick question: do you have any idea of the cost of your second recommendation, the earning exemption on the STEP program?

Mr Stewart: No. I apologize, Mr Chair. I anticipated this question and tried to work on that issue. I don't have

a clear answer for you. It's a difficult number to come up with because you would have to speculate about the number of people who are actually working. I have some data for the city of Ottawa in my head. We have between 5,000 and 6,000 of our social assistance clients per month, families per month, declaring earned income, but I don't know what it is across the province. In this case, I am data-poor and I apologize to you. Within MCSS when that rule was put in, that they were going reduce by the 25%, they did some economic impact of that in terms of savings. I would suggest that you could just reverse those.

Mr Phillips: On your point on rental accommodation, the number I have in my mind is that we need 15,000 units a year constructed and for the last five years I think it's been well less than 1,000 and at the upper level. Just while we have you here, you now have responsibility for housing and for social assistance administration and a large part of the cost. That's relatively new. How is it going? Was that the right move to make? What do you see in the next few years in that area?

Mr Stewart: Perhaps Councillor Chiarelli has a comment as well from his vantage point, but I'll make mine pretty brief. I think the transfer of the social housing program to municipalities, particularly those that had a housing crisis to begin with, has created a real challenge for us. We're just now beginning to contemplate what the city of Ottawa can do to increase the affordable housing supply by forgoing development charges and building permit costs etc. If everything came together perfectly in terms of our plan to increase the affordable housing supply, we could produce, with the assistance of the federal government and their proposed grant program, 240 units a year of affordable housing. Affordability is defined as the CMHC average rents, which actually are unaffordable for families on social assistance. We can't do this. We're going to be pressed to maintain existing housing stock, let alone deal with the absence of affordable housing.

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Mr Chiarelli: In the case of Ottawa, the question you raised has a larger impact because the excess demand on rental accommodation has meant that the economics involved in producing new housing mean that it is actually far cheaper to build and pay a mortgage on a new unit than it is to assume an existing one. So what we've been doing is working with the construction industry and developers, who are telling us that there are certain things that have to happen just to put them in a position to be able to help, and they're willing to do it. We have some of our most prominent developers as part of our housing advisory committee. They're willing to do it, but as long as the excess demand that you are leading me to exists, then they can't handle it under the current economic situation.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

ONTARIO SECONDARY SCHOOL
TEACHERS' FEDERATION

The Chair: Our next presentation will be from the Ontario Secondary School Teachers' Federation. I would ask the presenters to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Earl Manners: Does that include questions, Chair?

The Chair: That's including questions; total time.

Mr Manners: My name is Earl Manners. I'm president of the Ontario Secondary School Teachers' Federation. On my right is Mark Ciavaglia, legislative liaison on our staff; on my left is Dale Leckie, again on our staff but with a particular interest in education finance. We're here to talk about the allocations in the budget for public education and we would like to make a couple of recommendations.

You have our document in front of you and, given the time, I certainly won't read it. Let me summarize the introduction very quickly by saying that if there is one thing about education funding where I think almost everyone agrees, it's that the current funding formula isn't working. It's not meeting the needs of all students in this province, and I think those closest to the public school system might even go to the statement that the cupboard is bare. I would say that people who are saying that include not only students, parents, school councils, organizations such as People for Education or the public school trustees' association, but also the majority of the Conservative leadership candidates, who have indicated in various promises that we need to put more money into public education, and it includes statements by the Minister of Education herself.

If you take a look at pages 3 and 4 of the report, we've tried to quickly summarize the leaked report to Conservative caucus about areas of the funding formula that need improvement. The Minister of Education indicated in the fall of 2001 that there had to be more resources going into the classroom, that smaller class sizes in the early years continue to be an issue, that textbooks and classroom supplies for the new curriculum are an issue that has to be dealt with, and extra help for students who are falling behind.

In that same report the minister also told caucus that many of our school buildings are in substandard condition; some schools are in urgent need of repair and simply need to be demolished. I believe that's a quote. She said transportation spending is now below 1991-92 levels, particularly in rural and remote areas. I think when it came to school buildings, she said that we needed a \$6.8-billion investment over five years to try to bring them up to grade.

The alternative Ontario budget that was presented over the past year: their research suggests that in real dollars, the expenditures on public education have dropped since 1995 by \$2.4 billion. That takes into consideration the

inflation rate during those years and enrolment growth in our public school systems.

I would like to say as well that this whole situation is exacerbated by the announcement in last year's budget of \$300 million for 100,000 students, I believe, in this province in tax credits for private schools. We believe that amount of money is a drop in the bucket of what it might be, that it's more likely in the neighbourhood of \$700 million that's going to be required for this tax credit, and possibly more. All you have to do is base that on experience. When the extension of Catholic school funding was announced, it was only going to cost \$80 million. The next year the projection became \$130 million. By 1987, it was up to \$150 million. In real terms, though, in 1987 the extension of funding cost this province \$579 million, so there was a significant increase from projections. I would suggest that the \$300-million price tag is probably of the same variety as the estimate in 1985 regarding the extension of separate school funding.

That \$700 million for tax credits could buy an awful lot. On page 11 of our report, we try to highlight some of the things that it could provide that even the Minister of Education identified as problems. Six thousand new teacher positions would cost us \$330 million. Support staff to ensure a safe, clean and healthy environment, support services for special-needs students and transportation to assist the learning of our students in our public schools would cost \$150 million. Textbooks and curriculum resources for every student from kindergarten to grade 12 would require a \$100-million investment; increased support for early childhood education, early identification and intervention for children with learning difficulties, \$30 million; and the re-establishment of the highly successful adult education programs that have disappeared since that funding was eliminated in previous budgets for these kinds of day school programs would cost \$90 million. That \$700 million could go a long way to solving many of the issues that even the Minister of Education identified.

Those who are closest to the system know that the underfunding is real. There have been a number of reports lately about user fees. User fees have risen dramatically and there's an example in the appendices here of what's happening in one school board, and I think I'll leave it to you to look at it. We can't have user fees replacing investments in education. What good is a tax cut if you're just replacing it with other types of costs down the road? If there's one taxpayer, whether they take the money out of one pocket or the other pocket, they're still taking it out of their pocket, so let's be honest about it, where the money is necessary to provide basic services.

What needs to be fixed? I would ask you to take a look at that section. We have said that if everybody agrees that the funding formula isn't working, how can we make a positive contribution to fixing it? We believe that if you just look at some areas of the funding formula, we can find ways to find that \$2.4 billion that's so necessary to our education system.

Take a look at page 7. The foundation grant should be increased immediately by at least 8.4%. This grant is based on 1997 data and figures, and it has not been adjusted for inflation since then. If you just adjust it for inflation, then you would be talking about the same dollars in 1997 as in 2002. At the same time, if it's a foundation grant, there also should be generation factors for other school staff, including professional student services that provide support for special-needs students, educational assistants, occasional teachers. All of those have been flat-lined or ignored in the foundation grant, and that has led to significant cuts to programs. They're not considered classroom, but trying to get by without an education assistant or an occasional teacher or a speech-language pathologist—ask the students whether they're classroom supplies or not.

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If you take a look at the table, that would generate a reinvestment of \$624,740,845 just to match inflation, and another \$72 million just to recognize that salaries and support staff are necessary in our schools and that they deserve a reasonable salary increase as well.

In the area of special education, the funding should be based on the requirements of each individual education plan. Right now, those plans are being developed; then they have to be screened through the ISA red tape commission, which reviews all applications. Most of the time of student-centred staff in our school boards now is spent filling out the forms for the government to allocate dollars to special education. Because this grant is capped, because the special education funds are not responding to the actual needs that are out there, I think you can see that we need to make a greater investment. The auditor says we need \$95 million more, so in the chart we did, we added in that \$95 million, just to meet the requirements of what the auditor suggests.

The learning opportunities grant is based on 1991 census data. We know that the finance branch of the Ministry of Education did try to update it based on 1996 information, but left in the cap. There are greater needs in 1996 than in 1991, so if it remained capped, the money would be spread over a larger number of people. Toronto and Ottawa would actually lose. There would be more money because poverty has extended beyond the city core, out into other parts of this province. So unless the cap is removed and the grant is based on current data, the learning opportunities grant isn't an opportunities grant at all; it's ignoring a large group of people. We're suggesting there that even if it's doubled, we have never been able to see the figures based on this study done by the Ministry of Education to see what 1996 data would really show us. But let's assume that it's doubled. That would mean a \$279-million investment there would go a long way to meeting the needs of students and school boards across this province to provide the services.

On teacher compensation, this grant was underfunded from the beginning. It wasn't even based on 1997 data when it was introduced. It is designed to be an incentive for school boards to lay off staff, unfortunately. Boards

don't get any benefit from the rollover savings. If you hire a younger teacher and there are some savings there, the province scoops it away rather than allowing the school board to use it to maybe hire more staff or use it for other programs. With a teacher shortage, the government actually has exacerbated the problem by extending the 95-day rule on pensions, asking school boards to rely on experienced teachers, after they retire, instead of new and younger teachers. The boards lose the money when they retire and then they've got to hire back experienced teachers at the upper end of the pay scale, so they lose on both ends. We're saying that if we're going to deal with the teacher shortage, the teachers' compensation grant has to at least meet inflation as well. I think you would agree that you want to make sure that spending power remains the same if people are going to be able to buy and contribute to the economy. So we've suggested in our chart that even if it was increased to what it would be in 1997 figures, that would cost \$170 million.

We take the minister at her word that there's a \$6.8-billion deficit in capital expenditure over five years. That would require a \$1.3-billion investment in the infrastructure to repair and maintain our schools. That brings us to a total of \$2,541,460,506 reinvestment in public education. This is how it could be done. This is how to make sure it gets to the classroom and to the people who are in the classroom providing services to students. We hope you'll take that into consideration. Anything less than that in the funding formula and you don't have stable funding; you actually have a further cut to investment in education because of inflation, enrolment growth and the fact that you are continuing to base the funding formula on outdated and outmoded statistics despite the fact that there is other data available for your use.

I'll stop there.

The Chair: We have a minute per caucus. Mr. O'Toole.

Mr O'Toole: It's always important to listen to educators. We had a very excellent presentation yesterday from Phyllis Benedict and the Elementary Teachers' Federation of Ontario. She made some compelling arguments, I might say.

Would the \$2.5 billion solve the secondary problem or would it—I want to be serious here for a moment. Is there anything new that we can hear, like—

Mr Manners: Only one minute to be serious?

Mr O'Toole: Yes, the serious part is like—

Mr Manners: I thought I was.

Mr O'Toole: We're trying to be serious too. If there's \$7,000 per student and 500 students in a typical school, there's \$3.5 million in a school. Do the numbers. You have difficulty spending the money. I've got a little model that I'd be happy to share with you—it's thinking from classroom up, as opposed to the top down. What we have now is often little resources in the classroom, but if you look at the numbers—\$3.5 million in a typical footprint, is it in some way different? How about school-based funding?

Mr Manners: This funding model was developed by the current government. They called it student-focused funding and said it was funding based on the individual up. So I'm confused. Is the funding model top-down or is it bottom-up?

The Chair: Mr Phillips.

Mr Phillips: I think it's a very serious presentation and well thought out. Frankly, the challenge for you and us in opposition is to communicate it to the public. I said yesterday that we seem to talk funding formulas and budgets and all these things, but for the public it runs the risk of being just a bunch of numbers. Then it's, "The government has its numbers, and somebody else has their numbers." Have you any advice for us on how we can help articulate this for the public in a way they can more easily understand the issue?

Mr Manners: I think there are a number of ways. I think parents understand the problem: the funding formula is a one-size-fits-all formula and no community, no school, is exactly the same. The costs of transportation in northern Ontario are different from Grey and Bruce counties, where I come from, or from a metropolitan area like Toronto. Based on recognition that parents and taxpayers and school boards often have a much better understanding of the needs of students and schools and communities than someone here at Queen's Park who is a number cruncher, I think we have to restore some trust and faith and value in our local school boards and our local communities to make wise decisions.

I also think that parents understand that a funding formula is based on averages, and nobody is average. No one wants to be treated averagely; they want to be treated the best. When you look at education services, you've got to look at funding the best, not the average, across the province, because half the people are going to be losers and half the people are going to be winners in a funding formula that is based on averages. You just have to cut through the numbers and talk about some of the principles and values that underscore our public education system.

This funding formula purports to be student-focused. I really don't think it is, because it's not looking at the whole school as a classroom, as a learning environment. It's just looking at an individual student and saying, "Their value as a commodity is X, and that's all we need to fund," without looking at the total environment they have to learn in as well and the people and resources that are necessary not only to teach but to reach them when they're not learning as well as they might.

1440

Mr Christopherson: Earl, gentlemen, thank you for your presentation, again fuelling the argument that O'Toole doesn't know up from down. You mentioned \$2.5 billion. It was interesting watching some of the government members sort of roll their eyes and shake a little bit at the thought of \$2.5 billion, and yet the \$2 billion-plus that is on the table for corporate and personal tax cuts doesn't even raise an eyebrow. That's fine. That's OK spending in their minds, and spending it is.

When you have tax cuts, those are expenditures, no different than if you cut a cheque and transfer money to a local school board. Everything really is very relative with this government.

I'm assuming this may be the first opportunity for you to comment officially and on the record and permanently through Hansard. The current finance minister, who wants to be Premier, has suggested that one of the big solutions to the concerns you've raised here is just to declare all teachers an essential service and eliminate the right to strike. A lot of us think that's crazy, but I'd like to give you an opportunity to respond to it formally.

Mr Manners: I find it somewhat ironic that the finance minister believes we should be declared an essential service, but in his budget last year he said public education was so essential that it was worth spending \$300 million on a bribe to parents to take their kids out of the essential service and send them to private schools that are totally unaccountable. I think the minister is probably talking out of both sides of his mouth in an attempt to get elected.

We believe public education and teaching are essential to a democratic society. Unfortunately, the finance minister doesn't believe so. I don't know how he can suggest that there's a simple magic-wand solution to the strife that has occurred in our province unfortunately for the last seven years. Again, he is not looking at the causes of the problem but only trying to attack the people who are faced with the problems the government created.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

CANADIAN LIFE AND HEALTH INSURANCE ASSOCIATION

The Chair: Our next presentation is from the Canadian Life and Health Insurance Association. I would ask the presenters to come forward and please state your names for the record. On behalf of the committee, welcome.

Mr Mark Daniels: Mr Chairman and members of the committee, my name is Mark Daniels. I'm president of the Canadian Life and Health Insurance Association. With me today is my colleague, Jim Witol, vice-president of taxation and research for the association.

I'd like to thank the committee for providing us with the opportunity to participate in these pre-budget consultations. We view this as an important opportunity to contribute to the budget development process and hope our submission and comments today will provide a constructive contribution to the committee's work in this regard.

This blue document that's before you is our submission. In the interest of time I'm going to cover only a few of the points. But before I address the main points in our submission, I thought it would be helpful to provide the committee with a brief overview of the life and health insurance industry in Ontario. It's important to the economy, and that importance is not always understood.

The head offices of 80 life and health insurers are located in Ontario. The industry directly employs 56,000 Ontarians. Life and health insurance products provide financial protection for more than 9.5 million Ontarians. The industry has \$109 billion invested in the province's economy. I should say finally, as a measure of activity, that the industry currently pays out over \$50 million a day to Ontarians. About \$5 million of that is for life insurance payments; the balance is for dental, annuities and many other things.

I want to touch briefly on some of the key recommendations contained in our submission to the committee.

Talking first about the premium tax, Ontario currently imposes a 2% tax on life and health insurance premiums, a tax that dates back to the Victorian era, prior to the introduction of corporate income taxes. This tax directly adds \$220 million to the final cost of supplementary insurance to consumers, \$136 million on health insurance and \$83 million on life.

Supplementary health insurance plays a major role in reducing cost pressures on Ontario's hard-pressed public health insurance system. For example, in 2000, supplementary health insurance plans paid almost \$5 billion in health care expenses of Ontarians not covered by OHIP. One element of this was cash payments of \$475 million to Ontario's hospitals.

In light of the escalating pressures on Ontario's public health insurance system, it makes no sense whatsoever for Ontario's tax system to put financial disincentives in place that raise the cost and discourage the use of supplementary health insurance. Australia, for example, provides 30% tax credits to encourage the use of supplementary insurance.

Similarly, life insurance products play an important role in enabling Ontarians to provide for their own financial security for retirement as well as in the event of premature death. Once again, this keeps the pressure off our hard-pressed social assistance and public retirement income programs. Again, in our view, it makes no public policy sense to have a premium tax that penalizes Ontarians who purchase these products.

We urge the committee to recommend that the premium tax on life and health insurance be eliminated. This measure would make life and health insurance plans more affordable for Ontarians.

Looking at the retail sales tax: in addition to the premium tax, Ontario imposes its 8% retail sales tax on group life and health insurance premiums. Ontario and Quebec are the only two jurisdictions in North America that impose such a tax. This tax resulted in a direct cost to Ontario employers of over \$600 million in 2000, over \$500 million of which relates to employer-provided health insurance plans and \$100 million to group life insurance plans. On top of the \$220 million in premium taxes, an extra burden of over \$600 million in disincentives has been loaded on to Ontarians who purchase these socially desirable products. This is clearly inappropriate to the interests of Ontario and Ontarians.

In its 2000 budget, the government announced a phased elimination of the retail sales tax on auto insurance premiums. No corresponding action has yet been taken to eliminate the retail sales tax on life and health insurance products. We urge the committee to recommend that this step be taken now.

One final tax initiative we would like to draw to the committee's attention is the elimination of capital taxes. It's not a new subject around this table, I'm certain. Ontario, Quebec, Nova Scotia and Manitoba are the only four Canadian provinces to impose capital taxes on life and health insurers.

It is widely recognized that capital taxes are a tax on solvency that impairs the safety and soundness of our financial services sector. Indeed, the Ontario business tax review panel concluded last year that "the capital tax serves as a deterrent to attracting international investment" and recommended that Ontario eliminate the capital tax. We strongly urge that this committee recommend that the government take immediate action to eliminate the special additional capital tax on life and health insurers.

Finally, the elimination of these three taxes would strengthen Ontario's competitive advantage by (1) lowering operating costs for Ontario employers, (2) making life and health insurance more affordable for Ontarians and (3) reducing the pressures on our hard-pressed public health insurance system and public income security programs.

This concludes our opening remarks.

The Chair: Thank you very much. We have approximately three minutes per caucus, and I'll start with Mr Phillips.

Mr Phillips: Yesterday we heard from the Minister of Finance about the fiscal challenges facing Ontario. He indicated that \$3-billion to \$5-billion gap—to use his term—between revenues and expenditures in the fiscal year that starts in five weeks, I guess. The Bank of Nova Scotia, who were with us this morning, is suggesting that even though the economy looks like it's going to pick up shortly, the revenue pickup will be several years down the road, so the province of Ontario has a challenge financially. You are suggesting three moves that would have some price tag attached to them.

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Mr Daniels: Indeed they would.

Mr Phillips: At the same time, the government has announced that it is our plan in Ontario to take corporate income taxes to a level about 25% lower than our competitors in the US. Assuming we did have a choice, whether we moved with the corporate income tax or these other tax moves—that corporate move, by the way, costs \$2.2 billion in Ontario, to have the corporate income tax 25% lower—where would your industry's priorities be?

Mr Daniels: A good question. I think the answer is that, to begin with, when we identify these three taxes, it is not that we're unmindful of the situation which is faced by the Ontario government at the moment, so this

is not some blind call, without due regard to revenue or expenditure streams, to reduce taxes. But it is to say that these three taxes—and this isn't the first we've been before this committee—have in our view been long overdue to be focused on. Consequently, we need to get them on the table in a forum like this, because otherwise there's never a time to make an argument for putting on the table taxes like this, which are clearly distorting, as we see it, of three important priorities.

So my answer is, if you were you line up these proposals against a general income tax cut, I'd put these proposals at the top. I'm sure my company members would do that. I could well see that if they did it beside a general sampling of people in the province in the business sector, they might well argue otherwise. But I think what the government needs to focus on in considering this, if I may, is to say, "These taxes are distorting, period." They are simply distorting. They bear important consequences for Ontarians, and that's the point we need to make here.

Mr Christopherson: Thank you for your presentation. I don't see a total cost, but we're at \$600 million for the one. Do you know what the total cost is for these three?

Mr Daniels: It would be a little over a billion. What is the capital tax?

Mr Jim Witol: The capital tax is a small number. It's probably only \$10 million or so, because it is offsetable against corporate income taxes. So you've got \$220 million for the premium, \$600 million or so for the retail sales tax and a small number of \$10 million for the capital tax.

Mr Christopherson: We're talking about a billion dollars, roughly, give or take, that's on the table.

Mr Witol: Yes.

Mr Christopherson: You can probably appreciate the fact that the government has already got about \$2 billion worth of corporate and personal income taxes on the table, set against the context of a stream of organizations. If you stick around this afternoon, you'll hear a lot more talking about the deficits that exist in society, whether it's education, health care, social services, homelessness, transportation, environmental protection—pick your subject and there's a deficit of one sort or another that's exacerbated by the continuing cuts. The government tells us they don't have enough revenue this year. We would argue that's in part because of all the tax cuts that they said were going to prevent a recession from happening, which they clearly haven't, but at the end of the day they are about \$3 billion to \$5 billion short.

If you take all of that, you can probably appreciate how difficult it would be in that context—the \$3-billion to \$5-billion shortfall to reach a balanced budget, the social deficits that already exist, and the fact that there's \$2 billion of corporate and personal income taxes already on the table, which I'm sure your companies will benefit from—for anyone to make a case that would have anywhere near a critical mass number of people agreeing that this is an absolute priority.

Mr Daniels: If I may, it's again a perfectly reasonable question and my response to you is twofold. These taxes, as I said, are distorting. One of the reasons I wanted the committee to have a profile of the number of jobs and what the industry does—remember we're talking here about life and health insurance premiums. That's an important piece of the health care system. These taxes clearly discourage the use of it. What we are saying is, "Look, be careful you don't kill the goose that lays the golden egg here. These are important instruments. They are being discouraged."

I'm not in here to say, "Take my taxes and put it on somebody else's back." We would never provide you with a list. I'm simply saying that it's important that these taxes get on a priority list. They are too easy to impose, way too easy to impose.

Mr Christopherson: But you appreciate—

The Chair: I have to go to the next member.

Mr O'Toole: Thank you very much, Mark. A pleasure to see you again.

I do hear your message. Mr Christopherson has clearly indicated that it's about a billion dollars. There are pressures, but at the same time our theory has been to reduce taxes, and to reduce taxes for the reasons you're suggesting, that it builds infrastructure. As you know, if it was more affordable for employers and other groups to have group plans, it would take some load off. Of course, you contribute almost \$500 million to the health care system. I suspect that's kind of the investment.

When you look at the retail sales tax, that component is, as you say, \$600 million. That's a payroll tax, essentially. Basically it's a tax that's paid by the employer on group plans, as I understand it. That would apply to all the sectors we're meeting with. The educational sector would pay that. So it's 8% of their payroll cost for employee benefits, some of the most lucrative benefits of all the sectors—not that they shouldn't have them. I wish we all had insurance. But the pressures are there from education and health. If you were to pick one of those, I suspect—you clearly know, in your report, that we've put the cap of \$5 million on capital tax. We are working on that, on the capital tax component, which is infrastructure. Which one of these would you say was the top priority: the traditional 2%, which is about \$200 million, roughly, or would it be the retail sales tax, for stimulus in the economy, like David said, to make group health insurance and other kinds of insurance more affordable?

Mr Christopherson: I didn't say that.

Mr O'Toole: I'm saying that.

Mr Daniels: I guess we'd have to say the premium tax, in the first instance.

Mr O'Toole: Very good. I appreciate it.

The Chair: Mr Spina, you've got less than a minute.

Mr Spina: A quick one, basically along the lines of what John was saying. If there was a reduction in any of those taxes and what we were trying to do was twofold—give you more flexibility, but also back off on the pressure on the publicly funded institutions and their

health plans—would that be of some assistance at least to get the ball rolling?

Mr Daniels: Surely it would. It's a straight cost item. You see, between the premium tax and the retail sales tax, you add 10% to the cost of every employer-sponsored group health plan. The economics is not hard to do. That's a big number, 10%.

The Chair: With that, I have to bring it to an end. On behalf of the committee, thank you very much for your presentation this afternoon.

CHILDREN'S MENTAL HEALTH ONTARIO

The Chair: Our next presentation is from Children's Mental Health Ontario. I would ask the presenters to please come forward. If you could state your name for the record, please, and on behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Terry Brennan: Thank you. I'm Terry Brennan, president of Children's Mental Health Ontario. On my immediate left is Sheila Weinstock, the executive director of the association, and on my far left is Susan Hess, who is part of our organization and represents Parents for Children's Mental Health.

Children's Mental Health Ontario is a non-profit, independent organization. We represent 85 children's mental health centres across Ontario. Altogether we serve annually 150,000 children and families.

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Mental health services are important because good mental health allows all of us to think clearly, feel confident and act purposefully as we face the challenges of life. Like physical health, mental health is important at every stage of our life.

Mental health problems in children and youth can occur at any time, in any family, in any community. The problems can be devastating. They are costly both in personal cost and in financial cost to the health care system and the communities. They can lead to school failure, family conflict, substance abuse, violence, even suicide. The causes: usually biology or environment, or most likely some mix of the two. Fortunately, mental health problems in children and youth can be successfully treated. The advantage of this is personal gain, obviously—someone has a much better life—but it also saves money. It prevents more costly difficulties later on in life.

Early signs of mental health problems in children and youth include sudden changes in mood or behaviour, feelings of sadness or hopelessness that won't go away, avoidance of friends, constant anger and aggression, excessive crying, feelings of worthlessness, extreme and unrealistic fear or anxiety, and chronic inability to concentrate. Sometimes we look at that and say, "Every adolescent has that." They do, but this is over time and this is debilitating. It doesn't go away. It's not a sadness because you broke up with your boyfriend or your dog got hit by a car; this is a sadness that lasts and makes it difficult to function. More advanced symptoms might

include depression, substance abuse, loss of touch with reality, suicidal behaviour, violence, attention deficits and defiance.

Studies have shown that in Ontario at any given time, at least one in five children and youth has a mental health problem. Children's mental health centres in Ontario support and treat children and youth who suffer from emotional, behavioural and mental health problems, and we work with their families. A critical component of the treatment we offer is the trusting relationship which develops between the mental health professionals and the children. This, together with a range of therapeutic techniques and interventions, enables the children to overcome their challenges and modify the way they think and behave.

We offer therapy for individuals, families and groups, training for parents, and intensive family-based treatment in the home and in the community. We have crisis outreach services. We offer a residential treatment option for some children and youth with severe problems. We provide day treatment programs for children so they can live at home but travel to our centres daily for specialized schooling and mental health support. We offer workshops and discussion groups to help people understand and recognize children's mental health problems and the impact on children's lives. We offer consultation services to schools, child care centres, family resource centres and other agencies. We work closely with hospitals and children's aid societies.

We know that mental health services work for children. Our evaluation results show that treatment at any age results in a 62% to 76% reduction in mental health problems.

We've been able to establish a good working relationship with Minister Baird and his office, and we've worked together to help our clients. In the year 2000, the government invested \$20 million in a four-point plan targeted mainly at intensive services and crisis intervention. More recently there was an additional investment of \$6.9 million for much-needed mental health services for children under the age of seven. These are excellent investments and they have resulted in more services for children.

These are tied programs. In other words, there was a quick turnaround. Our centres needed to offer these things very quickly, and in some ways this added to the already untenable pressure on the basic infrastructure that supports our services. When we look at infrastructure, we see that since 1993, the government's investment in core funding for children's mental health services has failed to keep pace with costs and has actually declined 8% in absolute value. This has created two problems for us: recruiting and keeping qualified staff is our manager's biggest challenge, and salaries in our sector are 35% lower than in hospitals and government services. In a typical children's mental health centre, a social worker with specialized training in children's mental health issues earns about \$42,000. Comparable staff in children's aid societies, hospitals and boards of education earn between \$10,000 and \$15,000 more.

As a result of this, staff turnover has been as high as 40% in some centres and over 25% in many. So we're sort of like triple A baseball: we have some pretty good young people coming in, we train them and then they're off to the majors. It makes it really hard for us to recruit and keep skilled front-line staff and managers. The important thing is, it has reduced the services to our families and children and it has made it difficult for us to provide the quality that's necessary. There is an incredible waste here, a waste of valuable knowledge and experience, a waste of resources that we spend training and retraining new people who are going back into the same situation, to replace those who leave for better positions.

The biggest impact of all this is on the children and families we serve. At this time there are 8,000 children waiting an average of five months to get community mental health services. The high turnover rate means that children have two or three different workers during their treatment, and sometimes even more than that.

Because of the nature of their illness, children with mental health problems have difficulty forging and maintaining relationships. A trusting relationship with an adult, consistent over time, is often the key to recovery. The Premier's council on children found that, and there's lots of research to support it. For many of our children, that's their mental health worker. The lack of consistency caused by high turnover stresses the children and their families, impedes the progress of their treatment, and increases the risk of recurrence or escalation of mental health problems. We're stretched too thin.

We're proposing a revitalization program so that we can hire, train and retain competent staff to provide the essential support to children with mental health needs. We're asking for \$50 million to stabilize and revitalize our treatment programs across Ontario for Ontario's children, those with mental health problems and their families. This funding will ensure that children's mental health agencies can continue to provide effective mental health services.

Sixty per cent of this request would be used to increase salary ranges to levels competitive with other sectors. Competitive salaries would allow us to manage more productively by reducing turnover rates and retaining experienced staff who can serve the children effectively. It would also reduce the stress associated with unmanageable workloads and enable agencies to deal with long-standing human resource issues related to pay equity and WSIB. The remaining 40% would be used to recruit additional staff.

The result of this overall revitalization plan would be reduced waiting time, more children and families being served, and new clients and existing ones being served in a more effective manner. This is an investment in the future of Ontario, as we see it, because our children are our future. We know that \$1 spent on children's mental health saves anywhere from \$7 to \$10, depending on the study, in social services later on in their life.

At this time, I would like to turn the microphone over to Susan Hess from Parents for Children's Mental Health.

Ms Susan Hess: This is something new for me. I'm a parent of a child who has a mental illness and has been through the children's mental health agency service. I would really like to paint a picture for you of what it's like to live with a child who has a mental illness, what it's like for the family, and also what it's like once they get the treatment and support, because it really, truly made a difference.

A typical day in my daughter Leah's life and in our family's life: when Leah started school, she found that she wasn't accepted. She reacted initially in a non-compliant but very quiet way. She would turn her back to the blackboard. When the teacher would say, "If you don't do the work, you're not going to pass," Leah would just fold her arms, keep her back to the blackboard and refuse to do the work.

As the years progressed, her behaviour became more and more aggressive. She would throw chairs. She would swear. She would break windows.

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At home, the same type of thing was happening. She would be up every night, five nights a week, until four or five in the morning, swearing, threatening to kill me, threatening to kill herself, destroying her bedroom. Her sister, who shared a bedroom with her, was trying to sleep. The other children were also trying to sleep. I was trying to hold the door closed, so that she couldn't get out and destroy the rest of the house. You come to a point where you say, "She can destroy her bedroom, but not the rest of the house. What can I do to survive and keep the rest of my family safe?" So I would hold the door. My children would wake up in the middle of the night, come out and relieve me for half an hour, and hold the door so that Leah would be contained. Then they would have to go on and do their regular day's work.

At school, the situation got so bad that the school would call to ask me to retrieve Leah and bring her home. Sometimes Leah would go to school, would become very apprehensive and very, very frightened, and she would run home. Then I would take her back to school. By the time I got home—I'm two blocks away from the school, within 15 minutes—she was on the front porch screaming and yelling. I would start the whole process again. When the school would call to ask me to retrieve her and I would be bringing her home, she would be kicking me, biting me and trying to pull my hair. I had been taught how to hold her arms behind her back in a safe way, both for herself and for myself. She was trying in every way to do something to me, because she wanted to get away. She would be yelling and screaming. If any of you have ever been in a room where you know somebody's watching you but they're doing it so that you really can't tell, you have that feeling, that's how I felt when I would be walking along the neighbourhood streets. You would take a glance and you could just see the curtains ruffle in the windows because neighbours were watching you, but they weren't coming out to help you. They were very judgmental. They were pointing fingers. They were accusing. They were saying this was a

child who was having a temper tantrum; this was a spoiled child. But this was a child with an illness, who needed help and treatment and supports, and she wasn't getting them.

As a family, her siblings—there are five in the family, she's the second-youngest—didn't want to bring their friends home any more, because we didn't know when something was going to happen. She could be sweet and joyful and a delight to be around, and then within minutes become this horrid, horrible person and be destroying things. We never knew when food was going to be thrown at us at the dinner table. One day, she went racing out into the backyard with lasagna. She was smashing it into the garden, yelling at the top of her lungs that she was being abused by us, which was not the case. Then we got her quieted down and brought her into the house. She broke the window of the door and then she crumpled into my lap crying, "Mummy, please get these voices out of my head." She held a butcher knife at my throat one day, and by the grace of God, the knife didn't go anywhere. But I could see in her eyes that for this child everything was out of her control and she needed help desperately. At that point in time, I didn't know where my daughter would end up or where our family would end up. I didn't know if my daughter would be dead the next month, if my daughter would be on the street, if our family would be injured in some way.

Very, very fortunately, my daughter was able to get treatment and support at a children's mental health agency. That turned our entire life around. It gave my daughter her life back. It gave my daughter her self-esteem and self-worth back. It gave our whole family our life back. She was on an 8-to-8 program that Terry mentioned. She went there at 8 in the morning, and she came home at 8 o'clock at night. So she was still with the family. The staff loved her for who she was. They respected her. They worked with her, with this love and respect and they taught her over a long period of time—because she was in this program for four years. They taught her how to cope. They taught her how to create support networks. They taught her to love herself for who she was and they integrated her very, very slowly back into a high school setting. Again, with the intensive work they did with the high school teachers—she was in a special school for general learning and basic adaptive learning—it set the steps for success in that school and, as I say, I can't say enough about the work that they did.

My daughter was nominated by the school principal for the Rotary volunteer of the year award and the Lieutenant Governor volunteer of the year award and she won both of them. She volunteers at a senior citizens' home on a daily basis and she is a valuable part of our community. If she hadn't had the supports and the treatments at a children's mental health agency, this would not be the case. I'm hearing this also from other parents, as president of the Ontario parents' association.

My story is not the exception. This is a story that is being heard around the province and it breaks my heart. It really breaks my heart when I hear that the same

struggles are there that I had with my daughter, because there were long wait-lists and the longer the wait-list, the more complex is the problem. We need the treatments. I've been through cancer and I'm not minimizing cancer but if we had 8,000 children in this province who were on a wait-list for treatment for leukemia and they had to wait 18 months to two years, the service would come. We have 8,000 children in our province who are waiting for services and sometimes it's up to 18 to 24 months and these families are falling apart. If they can get the treatments and the supports like my daughter did, then we can save them and we can have valuable people in our communities.

I also want to share that when my daughter was in the mental health agency, one of her social workers left on sick leave, came back and then she left permanently. This just unravelled my daughter's world as well. They need constancy and consistency and they need the very, very best people working with them. Fortunately, she did have. But that one instance when this worker had to leave—I would say it took a good year for my daughter to gain trust of the next person that she was working with. So I really want you to understand the importance of our request.

The Chair: Does that complete your presentation?

Mr Brennan: Yes.

The Chair: I'm sorry that there won't be any time for questions, as we've used the entire 20 minutes. On behalf of the committee, thank you very much for your presentation this afternoon.

Mr Brennan: Thank you for listening.

ONTARIO ENGLISH CATHOLIC TEACHERS' ASSOCIATION

The Chair: Our next presentation will be from the Ontario English Catholic Teachers' Association. I would ask the presenters to come forward, please; if you could state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Kathy McVean: Good afternoon. My name is Kathy McVean and I'm the president of the Ontario English Catholic Teachers' Association. With me this afternoon is Greg Pollock, on my right. He is our general secretary. On my left is Mike Haugh, who is a member of our government relations department.

1520

"Our schools, whether we like it or not, are on the front lines of a fast-paced globally competitive economy. The only real way students can compete and win in a rapidly changing and competitive world is if we give them the tools to tackle the change." That's the message we want to bring to this committee this afternoon. Those are not my words, but they are the words of Mike Harris in a recent speech to the Empire Club. We want to endorse those words and to suggest this afternoon a number of ways in which this government could achieve that goal that has been established by the Premier.

The EIC, in its report of December 2000, stated, "We're extremely concerned about the corrosive climate that persists among the Ministry of Education, the district school boards, board staff and particularly teachers. This unhealthy atmosphere needs to be dispelled immediately—before our students' education is jeopardized further." The climate that the Education Improvement Commission noted as "corrosive" over a year ago has not improved. If anything, the atmosphere in public education has deteriorated as a result of funding practices.

OECTA believes that fundamental flaws exist in the current level and method of funding education. The mere maintenance of the status quo in reality means losses as a result of the impact of increased costs for goods and services necessary to maintain public education. The targeted amounts that we find in the envelopes for education have resulted in severe hardship in schools, as boards have been forced to close what programs or staffing were to either be stringently cut back or totally curtailed.

The decision to deny local school boards the authority to levy taxes means that the bulk of significant decisions about the extent and the type of public education to be provided by the local school board is in reality being imposed by the Ministry of Education in Toronto. The funding formula relegates concepts such as local autonomy and community schools to the status of historical anomalies incompatible with the present-day regime. Funding denied now will inevitably translate into increased costs to taxpayers for remedial measures in the form of social services.

We come this afternoon with recommendations in eight specific areas that I would like to highlight.

The first is in the area of class sizes. Despite the provincial dictate regarding class size targets, at the kindergarten to grade 3 level, grade 5 to grade 8 level and at the secondary level, those averages still translate into significant numbers of classes of 30 or more students in our schools. Thus, we are bringing a recommendation to you that, rather than the averages that we have enshrined in the legislation now, the provincial government set absolute maximums for class size at each level of the educational continuum through elementary and secondary education and to provide within the budget for school boards the funding necessary to ensure compliance with those maximums.

The second area we'd like address is resources for the implementation of curriculum, because the lack of resources for such things as personnel, for textbooks and for in-service training have hampered the degree to which successful implementation can be achieved in the schools. Thus, we are recommending that the government provide curriculum resources in the form of appropriate texts and materials and that be provided by provincial funding; and further that the government ensure adequate in-service training for educational personnel responsible for the implementation of that new curriculum. It can only be successful if the people who are implementing it and the people who are receiving that new curriculum are

properly prepared and are properly equipped with the resources they need to do it.

The third area is special education. Over the past four years there has been a 41% decline in schools reporting access to the regularly scheduled visits of a board psychologist. I think we can understand the significance of that when we listen to the comments of the previous presenters. Thirty-seven thousand students are waiting for special education services in this province. To deal with that kind of crisis the parents are facing, they're paying anything from \$1,000 to \$1,700 to have their child assessed privately. Twenty-four per cent of our schools have reported losses of staff, time and programs in the area of special education. Our professional teachers are being replaced by assistants in order to save money.

Thus we are recommending to you that direct and significant funding enhancements be made to improvements in the provision of resources for the identification, the assessment and the placement of students in the area of special education.

We have a specific concern around staffing. The cut-backs dictated by the inadequacies of the educational funding formula have, by necessity, reduced staff. In the year 2000-01, educational assistants in kindergarten classes have dropped by 13%. Those assistants assigned to special education classes have dropped 9%.

Then we look at other areas of specialty. In 1997 and 1998, physical education teachers dropped in this province by 20%; itinerant music teachers by 26%; English-as-a-second-language teachers, down 9%; guidance teachers have dropped 6% despite a new grade 7 and grade 8 curriculum with emphasis on career planning and the production by students of an annual education plan. Indeed all of those areas that I have highlighted are required areas of the new curriculum, yet the staffing to deliver those curriculum areas are seeing those kinds of reductions.

Schools don't operate with just teachers. Other staff are vitally important in the schools. Our full-time secretaries there have dropped by 7% and our custodians by over 12%. In an era when we're stressing literacy, since 1997-98 there has been a 15% loss in our schools of our teacher librarians. Ten per cent of our schools are reporting that their libraries are open only 10 hours or less a week. What a loss for our students and what a waste of valuable resources in those rooms when they're not being used to the maximum.

Thus we are making this very significant recommendation in staffing: that the government funding mechanism provide funding to school boards under improved ratios governing the provision of the services of educational support workers and specialist teachers to deliver what the government rightly has identified as very important programs for our students.

Another area of concern that we have is the resource provisions for textbooks, materials and equipment. This year, 66% of our schools are reporting that students must share textbooks and 63% of those are reporting that those textbooks are worn or are out of date. How ever can we

deliver that curriculum well when we don't have the basic resource of a textbook to do it?

Fundraising for textbooks, computers, classroom supplies and library books resulted in parents, teachers and students raising \$33 million last year alone to ameliorate the shortfalls in provincial educational financing of the public education system.

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Inequities abound because the top 10% of the schools raise the same amount as the bottom 70% put together. This is hardly equality of educational opportunity, which is supposed to be achieved by this particular funding formula. Thus we are recommending to you that for textbooks, resource materials and equipment, there be increased funding to provide equality of educational opportunity to the students in Ontario by ensuring improved and adequate funding to the schools for those resources, and that that funding be available on an ongoing basis. In addition, funding must be provided as new courses and as government initiatives come on line.

Another very significant issue for us as teachers is the place where our students attend classes and our teachers work: our schools. In Ontario, portables form the learning environment for students at 45% of schools. The vast majority of our secondary schools are over 30 years old, one out of two was built in 1960 or earlier, and fully one in 20 was built two centuries ago, in the 19th century. Thus, we are recommending, for the health and safety of our students and our teachers, that there be immediately an increase in funding to provide permanent, safe and clean schools for all Ontario students, while making the best utilization of the existing physical infrastructure. Where that is not possible—and indeed that is the case now—there should be increased capital funding to replace the facilities that are beyond redemption.

In a province the size of Ontario, transportation is a very critical issue in many of our jurisdictions. Fully 92% of Ontario's elementary students are bused to school. A comparable number of our secondary students are bused to school. Nineteen per cent of those students are on those buses for over two hours every day. In many cases it's local transit that they have to rely on, but only 28% of the schools reporting that had any kind of subsidies available to those students. The cost for that transportation had to be picked up by the families.

Just as we are experiencing at home, the fuel costs for school boards have seen a significant increase. But the grants to boards for transportation costs have not increased at the same rate as the actual transportation costs themselves, so school boards have been forced to shortchange other areas of the educational system just to get the students to school.

We make the following recommendation with respect to transportation funding: that the government revise the funding for transportation based on board demographics coupled with indexing to acknowledge increasing costs as they occur and revise the regulations governing student eligibility for transportation to preclude the

necessity of elementary pupils being put at risk by being forced to use public transportation. That is being contemplated in a number of areas around this province as we speak.

I'd like to speak to the issue of teacher supply and demand. Teachers have been and will be retiring in record numbers over the next few years. I've already spoken to the dearth of specialist teachers at both the elementary and secondary levels. There has been a marked increase, an alarming rate, in the utilization by school boards of unqualified or underqualified individuals as classroom teachers, so it's incumbent upon the government to provide additional funding to teacher training institutions and to identify specific funding to train specialist teachers according to the demographics about future demand. I might add that all the points that I've already made are really critical to teacher supply and demand as well because those are the things that are impacting on the decisions that our new teachers are making about whether they remain in Ontario to teach or consider going elsewhere.

I'd like to speak as well about collective bargaining. The funding made available to school boards for the maintenance and improvement of collective agreements governing wages and benefits is allocated by dictate under the funding formula. This is a total repudiation of free collective bargaining which has been imposed through the addition of direction to arbitrators in the province that the ability-to-pay argument must be adhered to in awarding settlements.

A further intrusion into free collective bargaining has occurred through the imposition of three-year collective agreements, despite the fact that employers are told on an annual basis what will be in the funding envelope for collective bargaining with employees. I know the government has said they can't possibly make that kind of prediction three years in advance. That wouldn't be sound fiscal policy. Yet they expect school boards to make those kinds of commitments in collective agreements without any knowledge of what the funding will be. The arguments seem to be very inconsistent.

This regime constitutes an odious imposition when it's coupled with the removal from school boards of their rights to levy taxation. It's a further example of the central control of education supplanting local autonomy and decision-making.

Ontario is not alone in facing a teacher shortage over the next few years. Already many jurisdictions worldwide have come to Ontario to recruit teachers and are offering many different inducements designed to lure Ontario's trained teachers elsewhere to better working conditions, to salaries and to respect for their professionalism. Those other jurisdictions are very successful in those attempts.

In conclusion, the Ontario English Catholic Teachers Association is committed to a healthy, well-funded public education system that serves the students of our province. Cutbacks in education are, in effect, withdrawals from the investment in the future of this prov-

ince. It's a false economy to truncate the extent of curriculum and circumscribe the breadth of educational opportunity for our students by imposing funding provisions tied to a rigid and narrowly defined set of criteria eligible for funding.

Our students live in a world where the demands placed upon them are ever-increasing and subject to global competition. Educational improvement is a laudable aspiration when it is grounded in research that supports such reform and is not driven by an ideology that denies financial support in favour of the quest for ever-increasing deficiencies and bottom-line accountability. Penny-wise is pound foolish sometimes.

I thank you for the opportunity to make these comments. I would be happy to entertain any questions.

The Vice-Chair: Thank you very much for the presentation but, unfortunately, you've come out right exactly on the 20 minutes. I don't know if you were looking at the clock or not.

Ms McVean: I have no clock in front of me, no.

The Vice-Chair: We appreciate the presentation and the thoughtful recommendations that you've formulated.

Mr O'Toole: Mr Chair, could I just put a question on the record for them?

The Vice-Chair: While we're switching.

Mr O'Toole: The presentation earlier by OSSTF indicated merging the school boards. I'd like your response to that in writing.

Mr Christopherson: What would be your question?

Mr O'Toole: No, just a response.

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CANADIAN CHEMICAL PRODUCERS' ASSOCIATION

The Vice-Chair: If we can move on, the next delegation is the Canadian Chemical Producers' Association. Good afternoon. Twenty minutes have been set aside for you. Following your presentation, any time that's left will be divided equally among the three caucuses. As you begin, please state your name clearly for the record.

Mr Mike Hyde: Thank you, Mr Chairman. It's very good to be back again. Let me, first of all, introduce my colleagues: to my left is Mr Dave Goffin, who is vice-president of business development for the Canadian Chemical Producers' Association. To my right is Norm Huebel, director of the Ontario region for the Canadian Chemical Producers' Association. My name is Mike Hyde. I am the director of government affairs of Dow Chemical, Canada, and I chair the Ontario region's business and economics and government affairs committee for the CCPA. We are very pleased to be back. We've been back several times to talk to you and the committee members.

The information we've handed out to you is two pieces. The first one is the submission that we're going to talk a little bit about today. We're not going to cover the whole thing, we're just going to hit the highlights. The

second one is our competitiveness scorecard that we've been able to give you for the last several years. You'll notice that it is the year 2001-02 scorecard. We are presently putting the 2002-03 scorecard together, and it will be ready shortly after the budget is announced and delivered here in the province of Ontario.

I just want to very briefly give an overview of who we are. The Canadian Chemical Producers' Association represents leading companies engaged in the business of chemistry. That particular business in Canada represents an \$18-billion industry interest and contribution for the basic chemicals and the plastics resin materials, and we provide most of those materials to our downstream customers, representing a base of about \$35 billion in Canada. Ontario encompasses a little bit more than half of that activity. We are very proud to say that we are the third-largest manufacturing entity in Ontario. We were the fourth until last year; we are now the third, so we're proud of that. We employ over 51,000 very highly skilled employees in the province.

I wanted to just mention that there are some very challenging times, as we're all aware, for the province of Ontario right now. In the current downturn, of course, two critical things are happening that we believe must continue: to balance the budget must remain a priority; we also believe that ensuring an orderly and timely restructuring of the electricity sector so that it will deliver real competition and real choice is extremely important.

We'd like to spend the next four or five minutes, before we get into questions, talking a little bit about three priorities for our sector. In one word, if I can say our priorities simply, the word "investment" is extremely important to us. We like to work with the jurisdiction in question to ensure that the jurisdiction remains competitive so that I can compete against my colleagues around the world with my company colleagues around the world when there are investments to be made and Ontario is seen as a good place to put a new plant and create new jobs.

The word is "investment," but the three priority issues I wanted to talk about were, firstly, an issue that revolves around the retail sales tax; secondly, after that we'll talk a little bit about tax competitiveness; and thirdly, I want to address the issue of global climate change.

The first issue, the Ontario retail sales tax, is not a new issue to you. We addressed this last year with the committee, as well. We were not able to get this included in last year's budget. We're hoping that it could be considered for this year's budget—we'll never give up. One of the reasons why it's the Ontario retail sales tax issue is that a peculiar anomaly is taking place here. If you read the Retail Sales Tax Act, it essentially says that materials and equipment used integral to the manufacturing process are tax-exempt. However, you then go on to read the guide for the act, and the guide says that reinforced concrete is taxable.

In our particular sector, we use reinforced concrete that is integral to the manufacturing process, so you've got the anomaly. So what you can have is, we could put

structural steel in place and have it tax-exempt, we then pour reinforced concrete in exactly the same application and it's taxable; or you could have a piece of reinforced concrete prefabricated off the job site, off the plant site, bring it in and it's tax-exempt, but if you pour it in place—exactly the same end use—then it's taxable. So we're just asking that this be addressed; it should be corrected. The anomaly is strange for investment people, to have it apply in one case, you think you have a rule, and all of a sudden the rule is not there. So that's the one issue we'd like to bring up again this year.

The second issue we'd like to talk about is on tax competitiveness. We heartily congratulate the Ontario government for the corporate income tax reductions announced in the 2000 budget. We encourage you to carry on with those, because when they are completed there will be a real delta between our competitive jurisdictions and Ontario, and that gives us the one-upmanship that we really need.

However, I would like to mention one other tax that is a punitive tax as well, and that is the profit-insensitive capital tax. We have been talking provincially across the country as well as with the federal government. We would encourage Ontario to start to talk to their federal colleagues about elimination of the capital taxes. Any substantial reduction in this area of course will be very interesting to investment dealers, people who are bringing money into the province, and we would encourage that. Both Quebec and British Columbia have recognized the need, and last year in fact the budget in Ontario did address a very small decrease in capital taxes. We would just encourage you that now is the time to put a good time schedule in place and to eliminate capital taxes. If we could deliver on that, that would help us a lot as well.

The third issue that I wanted to address was climate change. This is an issue that is very much in the news today. It is a federal government responsibility, of course, but they can only do it in partnership with the provinces and the territories. You hear more and more that Canada believes, the federal government believes they are in a position to ratify the Kyoto Protocol, and this is a major issue to our sector and to many other sectors in Ontario right now.

There is no argument in our minds at all that the world must address the environmental impacts of human activity on the global climate. We're not arguing about that fact at all. However, we are pointing out, and everybody must realize, that when we put new technologies in place in order to improve the human impact on global climate change, it's going to cost money, it's going to cost a lot of money, and it's going to develop into new technologies. That money, of course, is well spent if in fact your competitors are spending it as well. If Canada ratified the Kyoto Protocol and the United States did not and Mexico did not, it would mean that our major trading partners and our major competitors have a heads up and we don't have a level playing field any more.

So if I compare my operation in Ontario, where it has to put in a lot of dollars in order to mitigate its impact on

global climate change, competing against my operation in Michigan, which does not, it would be very easy to bring the material in from Michigan as opposed to producing it in Ontario.

This is a long-term thing. It won't shut it down right away, but it's very serious. We need to ensure that we have a very clear implementation plan in place before we ratify the Kyoto Protocol. In order to achieve the Kyoto demands or the targets in the Kyoto Protocol, it's so large that you might think of it as a monetization of carbon, the use of carbon or the emissions of carbon, which in fact can turn into something just like a tax.

What we are encouraging is that we need a proper analysis of the economic, environmental and social impacts of ratifying, make sure that we have the United States and Mexico on board with us, and then we should move forward.

One other key thing in this is that today the consumer, society out there, does not realize that they too contribute to global climate change problems by heating their homes, travelling in their cars, travelling in their buses, trains and planes, and they too are going to have to change their behaviour. We need to start to tell them how to do that as well.

We urge you to partner with your provincial partners and encourage the federal government not to ratify until we have an implementation plan in place that is meaningful and includes the United States and Mexico.

That's it. I hope we've ended with a little bit of time so we can have some questions.

The Chair: We have approximately three minutes per caucus.

Mr Christopherson: Thank you for your presentation. I'll start with your last subject. I certainly don't have any qualms with your argument that it's going to cost money, and your statement is excellent, "The world must address the environmental impacts of human activity on global climate." But you can appreciate that at some point the leadership of society in this generation, and that includes virtually every one of us in this room playing one role or another, have to answer to future generations. Future generations eventually are going to look back and say, "I don't want to hear the details. I just want to know why you allowed a world to be created where my kids have to wear permanent aspirators because they can't breathe the air any more because it's toxic," and we're quickly getting there. If you think about where we've been just in our own lives, those who are middle-aged, if you think about where we started and where we are now—and if you do any travel in the world, if you've been to Japan, you walk around—it's not unusual. In fact, there are probably more people wearing masks than not. Nobody thinks anything of it. I think the same sort of thing is starting to happen in southern California. The day is coming.

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All of us were crushed to hear the US Republican President say he's getting out of Kyoto. It's just a shameful activity on the part of the President of the

United States. For us in any way to say we have to be linked to that, that we can't do anything until they do, virtually guarantees we do nothing.

I understand the specifics of what you're saying, but I'm arguing that all of us have an obligation to take at least one step back from that and say, "At some point we've all got to do something." The people who are affected the most are those who can't do anything about it. Again, it does tie into health care, because if you can afford the best health care going and you can afford to live somewhere out in the country, you can afford to buy your way out of these problems. Eventually that's going to disappear, though, and the very well-off aren't going to be able to buy their way out of the problem; we're all going to be into it.

Help me understand, given the key role that you and your organization play, how do we grapple with this without finding out good, very legitimate reasons in the minutiae to say "no." How do we get to "yes"?

Mr Hyde: David, there were many answers that came to my mind as you were going through the story. You're absolutely correct. I think what we need to do is make sure we de-link smog problems and people's breathing problems with the greenhouse gases. They're quite different. They can be quite different. Some of them are similar, but they are different issues.

Our point is that we've got to take action in order to improve our impact. There's no doubt about that. However, to take it by taking a quantum leap—and the Kyoto Protocol is a quantum leap, which could damage business, could damage the well-being of society—we can do that in a voluntary way. We can approach greenhouse gases—companies are today. The city of Toronto, you've heard what they've done in order to mitigate their impact by taking the methane, which is a greenhouse gas, out of landfill gases and burning it and creating electricity.

Things are happening voluntarily. What we're just suggesting is we need to carry on with those voluntary initiatives and some time in the future get a plan; then we're going to be able to do both of those things—

Mr Christopherson: You appreciate, though, that "some time in the future" will always mean "mañana." It will just always be tomorrow.

The Chair: Thank you very much. I have to go to Mr Hardeman.

Mr Hardeman: Thank you very much for your presentation. There are just two issues. The Kyoto agreement I think is one very important issue for all of us. I would agree in this case with Mr Christopherson, that we all have to get along with getting something done. I was driving down the 401 just this week and I actually saw someone—I'm sure it was for other reasons—wearing a mask. That's still unusual here in Ontario, but I think it's something that we need to protect ourselves from.

I also recognize the issue of your competitiveness argument here. It would seem to me that if we sign the deal, and because of the cost of doing it, we make the General Motors plant in Windsor uncompetitive to the

General Motors plants in Detroit because they didn't sign it. The product going into our environment is the same for the number of cars produced, only they're produced on the other side of the border. I would totally agree with you that that doesn't make sense for our environment. It doesn't make sense for our economic stability here in Ontario. I very much appreciate you bringing that to our attention once again. That's the type of thing that we need to keep bringing to everyone's attention, that we support improving our environment, but at the same time we don't want to make improvements to our environment at the expense of investment in our province.

I just wanted a quick further explanation on the reinforced steel issue and the tax on that. If you could explain that a little bit more to me—which is taxable and which isn't, and why it changes?

Mr Hyde: The chemical manufacturing operation is quite specific, the way we manufacture our plants, Ernie. You can use structural steel, which is an integral part of the manufacturing operation and therefore it is tax-exempt according to the Retail Sales Tax Act. However, the guide of the act then reads that, "Reinforced concrete is taxable." It just reads like that. They think it's put in floors, sidewalks, roads, roofs, which should be taxable. They don't recognize the specificity of the chemical manufacturing plant. We use reinforced concrete as an integral part of the manufacturing operation. What we're trying to get the Ministry of Finance to understand, to change and to correct is that reinforced concrete also used as an integral part of manufacturing should be tax-exempt; if used as a dwelling, a building, a floor or a roof, then it's taxable. We understand that.

Mr Norm Huebel: A good example is if you have a process vessel and if it's sitting on steel, it's exempt. If it's sitting on concrete, doing the same thing in the plant, you pay tax on it.

Mr George Smitherman (Toronto Centre-Rosedale): I'm going to pass up the temptation to make a three-minute speech about Kyoto. I'll make mine only 15 seconds and say that, number one—

Interjection.

Mr Smitherman: I'll be longer if I'm heckled. All of your talk conjured up an image of Houston, Texas, for me and the lack of commitment that the then governor made, making that a community where the air is very breathable. But on the issue of Kyoto what I most look forward to is some capacity for all of us to get down to brass tacks and have a discussion about what's real, and not scaremonger. I think there's a lot of that going on maybe on both sides, but that debate obviously, as you mentioned, is getting going.

The thing I was interested in is focusing on the two priorities that you said right off the top, that more than anything else you wanted to ensure that Ontario's budget remains in balance and that the deregulation of hydro move forward.

On that first point, I'd ask you, then, given the fact that it has been widely stated in the press that Ontario is facing a deficit of something in the range of \$2 billion to

\$5 billion, and keeping in mind that you've stated this is your first priority, are you willing to forgo, then, the next instalment of planned corporate tax cuts to allow Ontario's budget to remain in balance?

Mr Hyde: The answer to the question is we don't believe that corporate tax reductions are linked directly to balancing the budget. You can collect monies in many ways. One of the ways is to get investment. The more investment you get, the more corporate tax you get, the more personal income tax you get from the new jobs. All of this rolls forward. For us just to say, "Let's not decrease corporate taxes and therefore we should forget about attracting investment in the province and that will allow us to balance our budget"—we prefer to say, "Let's get into an investment attraction mode and create jobs and create corporate taxes."

I didn't answer your question very well, George, but I'm just trying to say that there's another way to do it. You don't have to just say, "Oh, no, let's not decrease taxes already collected." Let's decrease them and get more investment and get more personal income tax and—

Mr Smitherman: So we'll put you down, then, as a disciple of Ronald-Reagan-style trickle-down economics.

The Chair: With that, I'll have to bring the discussion to an end. On behalf of the committee, gentlemen, thank you very much for your presentation this afternoon.

Mr O'Toole: Mr Chair, I want to straighten up one thing on the record. The only state in the United States with a sustainable energy policy is Texas. He should get his information straight.

Mr Smitherman: I talked about the quality of air there, but you're a bad listener.

The Chair: Thank you very much for your presentation this afternoon.

CANADIAN ASSOCIATION OF NOT-FOR-PROFIT RESP DEALERS

The Chair: Our next presentation this afternoon is from—

Interjection.

The Chair: Let's have a bit of order, please—the Canadian Association of Not-for-Profit RESP Dealers. I would ask the presenters to please come forward; if you could state your name—

Interjections.

The Chair: There's an echo coming into the room and I don't know where it's coming from, but when I've got the Chair, I've got the Chair, and I don't appreciate interference.

With that, gentlemen, on behalf of the committee, welcome. You have 20 minutes for your presentation today.

Mr Kevin Connolly: Last June, at the standing committee on general government a young lady by the name of Sasha Supersad, who was 21 years old at the time—from Whitby, Ontario, which I believe makes her a constituent of the Minister of Finance—presented a story. We thought we'd start very briefly with that story.

She's a single mother of a three-year-old daughter, Rianna. She was explaining to the committee that she started an RESP for Rianna when Rianna was seven months old, putting \$50 from her child care tax credit into the plan every month.

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She took out a loan to enter Seneca College's business administration program in September, which was of course, I suppose from her viewpoint, a little bit unfortunate because she didn't have the benefit of some savings. But it kind of brings up the question, why an RESP? She said to the committee, "I want Rianna to go on to post-secondary education without having to carry a financial burden like I did." That really is in summary the definition of what our association encourages, to get stories like that out so that the public at large understands the importance not just of post-secondary education but of planning for it.

A little bit about who we are: the Canadian Association of Not-for-Profit RESP Dealers was founded in 1999, but I should mention that the founding members of the association, USC Education Savings Plans, the Canadian Scholarship Trust Foundation, and another foundation that is not in Ontario but is Quebec-based called the Fondation Universit   du Canada, have all been in the business of promoting saving for post-secondary education, in certain cases since 1960. So while the association was founded in 1999, the members of the association certainly have been around for a long time encouraging saving for post-secondary education. Tom O'Shaughnessy and myself are the co-chairs of that association.

Very quickly, the objectives: to increase post-secondary education savings by Ontario residents, especially—and I know Tom will speak to this a little bit more specifically—by low- and middle-income families; to lower student loan debt, and therefore, hopefully, defaults; and to lower student dropout rates from post-secondary institutions that happen for financial reasons.

A little bit of background: in 1998, deregulation of all graduate and some professional programs led to drastic tuition hikes. In fact, recently the University of Toronto's law school announced plans to nearly double its tuition from \$12,000 to \$22,000 in the next five years. To give you a perspective on that, it was \$3,800 in 1998. In addition, the Honourable Dianne Cunningham has said that undergraduate tuition fees will continue a controlled climb over the next five years. We must put programs in place to help Ontario families cope with tuition hikes. To that end, just for your information, in your packages we've enclosed the latest guide to university costs, which includes for most of the universities in Ontario what the current problem is and what it's projected to grow to.

Mr Tom O'Shaughnessy: There is a solution that has been tabled in the Legislature for this issue and this concern. Mr John Hastings, MPP, has introduced the Saving for Our Children's Future Act, a private member's bill, which has gone through second reading. It has also been received and reviewed by the standing committee on general government. That committee endorsed

the private member's bill unanimously and actually increased the participation for individuals in that bill from a 10% tax credit to a 20% tax credit.

It recognizes that tuition fees are going to continue to rise. It recognizes that in Ontario the student loan program is deteriorating over time, and that individuals who are facing higher and higher tuition costs and as a result are requiring larger and larger student loans are facing situations where when they graduate or they leave school—I'll talk about that a little bit further later on—they are not in a position to be able to repay those loans. So student loans are becoming more and more defaulted and ultimately not being collected, creating a significant cost for the Ontario government.

I indicated individuals receiving student loans and leaving school as opposed to completing school becoming a bigger and bigger issue in Ontario and in other provinces. I also sit on the board of the Credit Counselling Service of Toronto. We are seeing many young individuals who have gotten access to student loans but have dropped out of school for many reasons, the primary one being that the cost of those loans and the potential impact for them to be able to repay are so daunting that they've said, "You know what? I'm going to drop out and go pursue other issues." That is a very significant concern.

We believe there are really three basic pillars to the funding of post-secondary education in the province. Two of them have been utilized by governments in the past. We encourage the third. The first two: direct funding to schools for operating costs, which keeps tuition fees lower for everyone across the board; the second obviously is a student loan program provided to those individuals who don't have the capital or the required savings to go to school. The third, which I think is probably the most important, is to provide some type of program to encourage parents to save for their children's education, starting with relatively small amounts at a very early age.

Why do we recommend the third approach as being the primary one? First of all, we've experienced over the last 40 years—our organizations have been around for that long offering these products—that the number of children who actually go on and complete post-secondary education if they have a registered education savings plan is double that of the general public. It's a program that is proven to work. Children do go to school and they complete school. The importance of that is that their ability to participate in the economy and add value to society grows significantly. So it's very important to have that third pillar in place.

The federal government has put a program in place to try to encourage savings for post-secondary education. It has been very successful. It is now stabilized, as I call it. The difficulty with that program is that although we recommended that it be tailored toward lower- and middle-income families, in effect it's a program that has attracted more upper-income families. It has still attracted a fair number of lower- and middle-income

families; about 20% of families across Canada and I think about 22% in Ontario have set up RESPs. It is not the final solution. Ultimately we feel it's important that at least 40% of the children in Ontario have RESPs set up, for two reasons. One obviously is the financial reason. Second is what I would call the motivational reason.

I'm sure you'll get presentations from other groups about child poverty, about dysfunctional family situations and about families that are in lower-income situations who don't have money for anything and don't have an idea of how to break out of their cycle of poverty. Our experience has been that when families do participate, even at a very low level, the motivational aspect and impact on the child is quite dramatic. They feel they have options other than dropping out of school or going to some menial job, so it's very important from that perspective.

Our view is that this vehicle will be very successful for the province of Ontario. If you do at least what is on the table right now with the private member's bill, the participation level in Ontario will rise significantly for RESPs and in the long run will reduce the cost of student loans and reduce the demand from institutions directly for funding because there is more and more funding available from families who have put money aside for post-secondary education. It's not a cost program. It's an investment in the future for the children of Ontario that will be paid for by other programs that are in place right now.

Our recommendation is that at least the private member's bill that has gone through second reading be tabled for third reading in the Legislature with the support of the government; if not that, that the government take into their coffers the responsibility for this activity and make a proposal through their budget process, whether it be a tax credit, a grant or something, to encourage more and more people to save even relatively small amounts, and that whatever that program is, it be geared toward the participation of lower- and middle-income families in Ontario.

Thank you very much.

The Chair: We have approximately three minutes per caucus, and I'll start with Mr Spina.

Mr Spina: Thank you, gentlemen. As usual, a good, comprehensive presentation and also something that clearly somebody within government has chosen to act on. We're actually pretty proud of John's bill.

I have a couple of questions. I guess it really has to do with the logistics of the program. How flexible is it from the perspective, first of all, of the young lady who invested in Rianna? When 15 or 18 years down the road the child chooses an alternative option, rather than university, what happens to the funds?

The second question, just so that you can answer them both, and then I'll give the other guys an opportunity, is this: currently, does the amount of money in an RESP impact on the amount of OSAP? If it does, should there be some regulatory changes made to assist that?

Mr Connolly: The answer to the second question is no, it does not have any impact on OSAP. The answer to

the first part of your question is that in the case of Sasha's youngster, if at the time that she requires the money for post-secondary education or, for whatever reason, she chooses not to pursue education, the RESP legislation allows now for that program to either be transferred to another child who would pursue post-secondary education or, in the event that it can't be transferred to another child, then it can be transferred, up to certain limits, to the parents' RRSP. There was a time when there was a great fear that if your child didn't go to university or a community college or a trade school, you would lose all of the investment income. That's not the case any more.

However, on the grant portions, the concept would be that if the money isn't used for post-secondary education, the grant would not be retained; the grant would then be returned, in the case of a federal grant, to the federal government, and in the proposed provincial grant it would be returned to the provincial government.

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Mr O'Shaughnessy: I'd just like to add, it's a very important point, because you mentioned university only. I think many people still believe that these programs are for university only. In fact, the tax rules have been changed dramatically so that training schools, community colleges, professional business schools that are qualified, as well as university—there are many, many options for individuals to be able to go and utilize the funds, improve their skills and ultimately add value to the economy.

Mr Phillips: Have you, in discussion with the government, had an indication of what they would like to do with it?

Mr O'Shaughnessy: We've had some discussions with the finance department, and they're evaluating the costs and benefits of the program, but we haven't had any detailed discussions about whether or not they will incorporate it in a budget or bring it back for third reading as a private member's bill.

Mr Phillips: Just in terms of what investment options you have, I gather the process is you need to set up an RESP, and you apply to the federal government for the \$200 grant, is that correct?

Mr Connolly: You would apply for the grant up to \$400 per year. The way the grant works, it's 20% on the first \$2,000, so you can get up to \$400. The RESP provider does apply for that grant on behalf of the investor, so it's not the investor who has to apply directly for it. It works from the provider of the RESP. They will send information to the federal government, and they will then send the money back to the RESP provider for investment purposes.

Mr Phillips: How much is that a year? I'm sorry; I didn't hear.

Mr Connolly: The federal government grant calls for up to 20% on the first \$2,000 that you invest, so a total of \$400 maximum per year per child.

Mr Phillips: Do I understand the bill properly, that it's limited to a \$1,000-a-year investment? Is that correct?

Mr O'Shaughnessy: For the Ontario bill that was presented, yes. Again, that was to primarily focus on lower- and middle-income families. Our statistics indicate that most individuals in the income ranges that we're talking about save anywhere from \$300 to \$700 per year.

Mr Connolly: I should add too, Tom, that related to that, we have made a presentation to the federal finance committee that recommends that the grant be adjusted from 20% on the first \$2,000 to 30% on the first \$1,000, then 10% on the next \$1,000, up to \$2,000. Again, we're trying to send a message to the government that we really need to concentrate and focus on the lower- to middle-income group, because if you've got thousands and thousands of dollars to invest because you're wealthy—and I have nothing against wealth, by the way; wealth is good. But we're trying to balance the table here and see to it that those who have more moderate incomes can get a little bit more benefit because they require it more than those who would require it less.

Mr Christopherson: Thank you for your presentation; it's good to see you again. In point (f) you said, "Approximately 100,000 children entered into RESPs in 2000," but "by 2005, this number will have dropped to 50,000 per year if no new incentive is provided." Explain that a little bit for me. If nothing else happens, if things just stay the same, you're going to have 50% fewer children enrolled in 2005 than now for what reason?

Mr O'Shaughnessy: The primary reason for that is that the federal grant has run its course. Those who are interested have already signed up per se, so the number of people who don't have an RESP, the larger group there who aren't participating, are not attracted to that one incentive. You need to add another incentive to be able to enfranchise that group.

Mr Christopherson: I see. What happens, then, if I'm understanding that, is that there's a percentage of children who are born whose parents will enrol, but because you've already gone through the block of people whose kids might be a whole lot of different ages, they've already picked up on it and run with it. So without incentives, you're not going to capture the parents of those children. Is that the idea?

Mr O'Shaughnessy: No, the issue is that of the people who haven't signed up as of today, as each year goes by, there are fewer and fewer who are looking at the program and saying, "This is a viable one for us, based upon the way it sits right now." That's why we're saying, if you want to get that large group that isn't participating and will not participate in the future, you have to have an incentive that's added on top of this one.

Mr Christopherson: I see. You mentioned that you can transfer it to another child. Does it have to be a child within the family, or can it be any other child in the school system?

Mr Connolly: It can depend sometimes on the particular plan, but most plans allow for transfers even outside of the family. It is plan-specific, though, so that's explained to the client at the time of enrolment, what type

of plan they want to go with. Obviously, the more flexible you make a plan, the less the potential payout in the traditional types of RESPs. So that's education at the time of enrolment.

Mr Christopherson: Now, when you say "not for profit," how are salespeople paid? Is it a commission there? How does that work inside the not-for-profit itself?

Mr O'Shaughnessy: Like any organization that is providing a service to the public, obviously individuals who are employed on a full-time basis have to be remunerated. However, the organizations themselves are structured so that there are no shareholders. It's somewhat like a mutual insurance company. We fund whatever the costs are to run the program and any additional funds that are taken from our subscribers to cover those costs are then returned to the subscribers in the form of increases in scholarships on an annual basis.

Mr Christopherson: So the benefit to someone signing up with you, as opposed to doing it on their own, is what?

Mr O'Shaughnessy: With any RESP it is that they would get access, obviously, to the federal grant and the tax sheltering. We're here as representatives of the not-for-profit group. There are other organizations out there offering RESPs that are for profit—banks and mutual fund companies do as well—but they primarily focus on middle- and upper-income individuals. That's why we're here. We feel that it's important that we have to get those lower- and middle-income families saving. We feel that for them, this is the best alternative because the costs are as low as possible.

Mr Christopherson: Do you get access to parents through school boards? Are there boards that are helpful in getting your message through?

Mr Connolly: Some more than others. School boards are very sensitive about the fact that they get constantly approached by organizations that want to move their products through there. We do work with some of the school boards, but on a fairly limited basis.

The Chair: With that, I have to bring it to an end. On behalf of the committee, thank you very much for your presentation this afternoon.

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TORONTO DISASTER RELIEF COMMITTEE

The Chair: Our next presentation will be from the Toronto Disaster Relief Committee. I would ask the presenter to please come forward. State your name for the record, please, and on behalf of the committee, welcome.

Ms Musonda Kidd: OK, thanks. My name is Musonda Kidd. I have submitted a briefing so my name is spelled out there. I'd like to thank this committee for giving me the opportunity of making a presentation today. I am presenting here on behalf of the Toronto Disaster Relief Committee.

The Toronto Disaster Relief Committee is a group of social policy, health care and housing advocates, academics, business people, community health care workers, social workers, AIDS activists, anti-poverty activists, people with homelessness experience and members of the faith community.

In the effort to end homelessness, we are active on numerous levels. We provide coordination services for the National Housing and Homelessness Network. We are a prominent and recognized voice on the city of Toronto's advisory committee for homeless and socially isolated persons. As well, we serve on many other committees and task forces. We work closely with Tent City residents planning a relocation into housing on non-polluted lands. We research the issues. We have produced numerous reports with our findings. We track the numbers of those who die on our city streets. We have bandaged the injuries caused by being homeless and have attended the funerals of many people. We watch the homeless disaster worsen daily.

We have a diverse steering committee with each member bringing their specific experience and expertise to the collective efforts of TDRC. Together we cover a wide range of related issues and speak for a large and broad community. This community includes people who are or have been homeless, front-line workers, activists and concerned citizens in Toronto and across the country.

We have asked ourselves these questions: why is the human crisis not treated in the same way as other crises or disasters where people lose their housing and have their family or community networks disrupted, like the ice storms in Quebec or like the floods in Manitoba? Why are governments not responding to the physical and mental harm, including death, caused by being homeless? Why are they ignoring the spread of disease such as tuberculosis, HIV and AIDS? Why is it our public officials fail to recognize that tens of thousands of people without housing and adequate food and health care constitutes one of the largest and most serious national disasters that Canada has ever faced?

Our call to declare homelessness a national disaster has been endorsed by over 500 organizations, including the city councils of Toronto, Ottawa, Nepean, the big city mayors' caucus of the Federation of Canadian Municipalities and many other organizations.

We are encouraging all people, organizations and levels of government to explicitly recognize homelessness as a national disaster and to immediately take appropriate action in all communities throughout the country. We urge the provincial government to declare homelessness a national disaster.

Disasters, natural or man-made, are not restricted to countries in the tropics but their consequences are very similar. The evidence that the crisis of homelessness has become a disaster in this city, this province and this country has started to accumulate.

In Toronto the disaster is flourishing. You will see it in a hundred ways every day, including the high number of homeless deaths. There are 243 confirmed deaths of

homeless people in the city of Toronto alone. It's been very hard to track these numbers, but those are from reliable sources. There are as many as two to four deaths of homeless people each week. Death rates for young homeless men are 8.3 times higher than the average population of young men. There have been many clusters of freezing deaths. During the past Christmas holidays, there were two freezing deaths of homeless men within three days of each other.

There is a high number of evictions. More than 500 tenants face evictions each week. Many are evicted for as little as \$100 in arrears.

There is a growing number of homeless children and families. In Toronto, this group represents the largest growing group of people suffering in the disaster.

In the Toronto Report Card on Homelessness 2001, there was an increase of about 130% in the number of children in shelters.

There is severe overcrowding in the emergency shelter system. The city reports that hostels are full, often well above their 90% capacity limit. It is dangerous and unhealthy to run any shelter under overcrowded conditions. Overcrowding affects peoples' high stress levels and causes some to be unable to use the shelter system, both because they cannot get in and, if they can get in, they are unable to tolerate crowded conditions which contribute to rampant infectious health problems such as cases of tuberculosis.

Right now, we are experiencing a TB epidemic in the shelter system. Last year, there were two outbreaks with 15 confirmed active cases, including two tuberculosis-related deaths.

There has been an explosive increase in people living outside. The most important reason for this is the lack of shelter beds in conjunction with the huge increase in homelessness generally. People living outside have made it clear that many of them fear the existing shelter system. For some people, living outside becomes a rational decision, the lesser of the two evils.

There is a long social housing waiting list. In November 2000, the list included a total of 63,000 households. Applicants are told that the wait for a unit could be from 12 to 19 years. The handful of new rental units that have been offered in recent years have had monthly rents ranging well above \$1,000.

The Toronto Disaster Relief Committee has made many recommendations to the city of Toronto to respond to the crisis in the shelter system and on the streets. These recommendations have included the order of a moratorium on shelter courses, the opening of 1,000 new shelter beds, and ensuring that the existing shelters and the new facilities at least meet the United Nations standards for refugee camps. To immediately address the current shelter crisis, TDRC has asked for the use of Princess Margaret Hospital or the armouries as temporary emergency shelters.

The disaster is evident not only in Toronto but across the province. The vacancy rates across Ontario are dangerously low. In many parts of the province there

simply isn't enough supply of housing to meet the local needs. At the same time, rents are rising while household incomes are falling. This has caused an affordability crisis. In Ontario, almost 64,000 tenant households are faced with eviction because they cannot pay the rent. Twice in the last two years CHMC has declared that the country's rental markets are the worst since they started the current records in 1987.

I included a snapshot of the state of the disaster across the province. In Parry Sound, for example, there have been reports that families sleep in cars and call it home. In Gravenhurst, the area's only shelter has been full every night since it opened last year. In Guelph, from January 1999 to August 2001, a total of 2,269 households applied for social housing units, and only 13 were placed. I have included many stats here for you. In Kingston, emergency shelter use rose by 210% from 1998 to 2000.

Despite Canada's reputation for providing relief to people made temporarily homeless by natural disasters, our governments are unwilling to help the scores of thousands of people in Canada condemned to homelessness. We urge you, the provincial government, to mobilize in the face of this homeless disaster and come to the aid of its victims before the next person dies.

We have recorded that homelessness is a serious human rights violation. All human rights violations are acts that disregard human dignity and the rule of law. The moral and ethical codes of the world's religions, international law, the Canadian Charter of Rights and Freedoms, and federal and provincial human rights legislation, oblige Canadians and Canadian governments to refrain from acts, omissions or other measures that result in violations of human rights. The very existence of people who do not have any housing is by itself a most serious human rights violation.

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From the crisis that I've outlined, it is evident that the most basic human rights of a group of people within our communities are being violated. We cannot sit idly by and let this misery and death continue. The time to act is now.

Declaring homelessness a national disaster and emergency allows all levels of government to immediately implement emergency humanitarian relief and prevention measures. The strategy must provide the homeless with immediate health protection and housing and it must institute measures that prevent further homelessness. In any disaster, people are provided with emergency assistance, then permanent measures are implemented.

The solutions to homelessness, its elimination and prevention, are (1) housing—all homeless people require adequate and appropriate housing they can afford; (2) income—all homeless people require enough money to live on; (3) support services—some homeless people require support services.

The first measure must be a massive reinvestment in the construction of affordable housing. We were very happy last November 30, 2001, when the Ontario Minister of Housing, Chris Hodgson, joined with federal,

provincial and territorial colleagues in signing a new national housing framework. The agreement commits the federal government to spend \$680 million over five years. It requires the provinces and territories to provide matching funding. As much as \$244 million could come to Ontario from the federal government over five years. This could help fund more than 9,000 new housing units. This clearly isn't enough, from the disaster that I've described, but it's a good start and we welcome that.

We do have concerns, however, about Ontario's participation in the national program.

(1) Ontario has been slow to sign their bilateral agreement with the federal government. How much money will the province commit? Reports indicate that to date Ontario is offering an additional \$20 million, thus leaving it about \$225 million short in providing the matching funds for the federal dollars. Compare that contribution to the \$105 million that Quebec has already committed.

(2) The federal government, along with the provinces and territories, agreed in London, Ontario, in August of last year, that new public housing funds would be directed to those in most need: low-, moderate- and middle-income renter households. The framework agreement signed in Quebec City was supposed to incorporate this general principle, yet it now appears that the new program may have the perverse result of subsidizing expensive rental units in many parts of the country at a time when the supply for the poorest households is desperately short. It appears that the definition of "affordability" in the bilateral agreements is "average market housing rents." Yet average rents are well above affordable rents that most renter households can pay. I've included a chart that highlights that difference. We are very concerned that the program be targeted to use the definition of affordability not based on average rents.

(3) The affordable housing framework agreement signed in Quebec City requires the provinces to match the \$680 million in funding, but the agreement allows provinces to include in their share funding from municipalities, housing providers and other sources. Ontario is believed to be seeking a substantial equity contribution from housing providers that want to participate in the new program. A high equity barrier will effectively prohibit co-op and non-profit housing providers from joining the new program. We're very concerned about this.

The Toronto Disaster Relief Committee has indicated for years that the most important thing we can all do to end homelessness in Canada is to implement a national housing strategy. To fund this, we have recommended the 1% solution, which represents an additional \$2 billion annually from the federal government and \$2 billion combined from the provinces. Specifically in Ontario, this represents \$900 million annually. How much are the lives of Ontarians worth?

In conclusion, the homeless and under-housed in Ontario do not constitute a special interest group. We are not asking for favours or charity. Adequate and affordable shelter is not a luxury; it is a basic human right that

has been denied far too many people in the province right now. You, the Ontario government, have the means to change that. We urge you to act, and to do so immediately. It is your responsibility to address these problems and crises. We, the people of Ontario, through the government, have both the means and the responsibility to act now. For you to do anything else and for us to proceed in any other context is to misinterpret why we elect governments in the first place.

We ask you now to provide funding to improve conditions in the shelter system; to provide the necessary support services; to provide adequate income support measures; to participate fully in the national housing program—that is, to immediately sign the agreement with the federal government and commit your full share of \$244 million; to ensure that the new housing built in Ontario is affordable over the long term; to ensure that the new program is accessible to co-op and non-profits; to work toward the implementation of the 1% solution; and finally, to end mass homelessness in Toronto now.

Thank you for allowing me this opportunity.

The Chair: Thank you very much. I'll allow for a very brief question from each caucus. I'll start with Mr Phillips. That would be a minute.

Mr Phillips: Thank you for a very good presentation. It puts a human face on this issue, because many of us don't face it on a day-to-day basis. We kind of drive by it periodically, but you see it on a day-to-day basis.

It's hard to know where to begin with such little time. One thing you mentioned—I thought the provincial government had signed this agreement with the federal government.

Ms Kidd: The government has signed the general framework agreement, but they haven't signed their individual bilateral agreement. Ontario and the federal government need to sign their own special bilateral agreement and, to my knowledge, they haven't done that yet.

Mr Christopherson: As you mentioned, it goes a long way to explaining why this government likes to do business with the Quebec government, mainly because they like to opt out of things. There are two different reasons for that, but at the end of the day they both want out. Quebec doesn't want to have anything to do with the feds because it promotes federalism, and Ontario doesn't want to have anything to do with the feds because they don't want to spend any money, is the bottom line.

I guess the best I could do is ask you how you feel about the proposal by the current finance minister, who wants to be Premier. When he bothers at all to talk about homelessness, his answer is that he would make it illegal. I wonder how you feel about that as a proposal from somebody who wants to be Premier.

Ms Kidd: We were very angry about that. We recognize that, in reality, homelessness already is illegal, that many homeless individuals are being jailed on a daily basis.

Mr O'Toole: I would only say in response, and somewhat in defence, that I think the way the Minister of

Finance, the candidate, put it was that if it was your brother or sister, would you walk around them or ignore it or avoid it, or would you stop and help? Some want to go immediately to call the police. What he said publicly was he wants to help. I would defy anyone to contradict that. That's actually what he said on the public record. I think we should be held accountable, and I would think you would agree that we shouldn't ignore it, we shouldn't walk around the person on the street, but we should commit to help. I think that's an important thing. If you want to run immediately and call the police—

Ms Kidd: I think that's what he suggested: to have special constables assigned to take the homeless to shelters or, if they refuse, to jails. There is a street help line that exists today that—

Mr O'Toole: Because of the province of Ontario.

The Chair: Mr O'Toole, let her finish, please.

Ms Kidd: That can be used, so I don't know that there is a need to have these special constables. We question that approach.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

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CANADIAN VEHICLE MANUFACTURERS' ASSOCIATION

The Chair: Our next presentation is from the Canadian Vehicle Manufacturers' Association. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome.

Mr Mark Nantais: Good afternoon. Mr Chairman and members of the committee, I want to thank you for the opportunity to be here today. My name is Mark Nantais. I'm president of the Canadian Vehicle Manufacturers' Association. With me today on my right is Douglas Jure, special adviser to DaimlerChrysler Canada, and on my right is Tayce Wakefield, who is vice-president, environmental and corporate affairs, with General Motors of Canada. After we give our brief statement, we'd be very pleased to answer any questions you may have.

If you may not know, the CVMA is Canada's national association which represents Canada's largest automakers. Our membership includes Ford Motor Co of Canada, General Motors, DaimlerChrysler Canada and International Truck and Engine Corp. Together these long-established Ontario companies produce about 90% of all vehicles produced in Canada. I suspect many of the members are familiar with the products and certainly the facilities here in Ontario that produce those products.

Let me begin by alluding to a statement which is perhaps an overarching policy that we would like to see developed in Ontario as well as at the federal level as it relates to the automobile industry, and that is the strategic automotive investment policy. Such a policy would be designed to assist Canada in retaining and attracting high-skill, high-wage jobs in the automotive industry and

parts manufacturing sector. It's important that this policy address many regulatory tax and policy dimensions affecting vehicle production and sales in Canada. We think it's critical that such a policy be competitor-neutral, that it provide equal advantage to any competitor undertaking activity in Canada, whether they are existing investors or new entrants into this province or country. It should also ensure that the long-term investors with more significant commitments to the country, and therefore higher cost structures, are not disadvantaged vis-à-vis newer entrants.

The automotive industry is a highly competitive one. It operates on very low margins and has many aggressive competitors. The US market is considered one of the few more profitable automotive markets in the world, but demand has shrunk for automotive products in Asia and, as a result, automotive exports to North America from Asia and Europe have risen dramatically over the past decade as assemblers in these economies seek to utilize excess capacity that exists in their countries.

At the same time, a number of assemblers have located production capacity in North America with much lower cost structures than traditional manufacturers because they have no legacy costs associated with retirees and a mature workforce. On the other hand, we have Mexico, which has emerged as a very formidable competitor for automotive manufacturing and investment. Just to give you an example, between 1989 and 2000, Mexican vehicle production increased from 600,000 units to 1.9 million units. Ontario needs to ensure that its tax and investment policies are competitive not only with the US, but with other significant auto-producing countries right around the world.

Let me turn briefly, if I could, to describe some of the recommendations we put forward in our submission to the committee.

The first issue we have identified is the border-crossing issue. Companies represented here today have been working closely with the Canada Customs and Revenue Agency to develop custom programs that will facilitate cross-border traffic. Going forward, however we are concerned that the transportation infrastructure leading to these border crossings is insufficient to handle the levels of traffic and trade that are moving between Ontario and the United States. Border crossings such as Windsor, Sarnia and Fort Erie represent key trading links to the United States. The Ambassador Bridge in Windsor, for example, handles about 40% of all of Canada's trade, with about 25% of all that trade relating to automotive. However, there is no direct link between the Ambassador Bridge and Highway 401, nor is there a direct link between the bridge and any of Ontario's transportation arteries. We've asked the Ontario government to use its 2002 budget to dedicate funds to ensure that Ontario's infrastructure is able to support the projected increases in the level of trade.

Our submission relates to a number of fiscal policy matters that I would like to raise as well. In the 2001 budget, the Ontario government recognized the negative

impact of capital taxes on Ontario's economy and the harm they do to jobs and the standard of living. The CVMA commends the government for this initiative and is equally pleased that the government took the first step toward eliminating the capital tax by introducing a deduction for the first \$5 million of taxable capital. We recommend that the government of Ontario send a clear message that it continues to value investment by removing the capital tax entirely in this budget as further encouragement of new investment.

The CVMA has a similar concern with property taxes. We believe that a single property tax should apply to automotive assemblers regardless of their location within the province. Our recommendation is that the province establish a single property tax rate, at or below the lowest rate currently paid, for all automotive assembly plants in Ontario.

Our member companies are also large investors in research and development. We have a concern relating to the Ontario R&D superallowance fund. The 2001 budget announced that in lieu of providing the Ontario superallowance to those carrying out scientific research and experimental development in Ontario, the federal investment tax credit would not be subject to the Ontario corporate income tax. While this temporary measure allows taxpayers to gain back the majority of their pre-budget SR&ED position, it does not address the loss of the incentive for incremental R&D expenditures. Again, our member companies, which make significant investments in R&D, would like to see an interim measure to encourage incremental R&D spending in the province once again.

Before we move to take questions, I would like to bring three taxation issues to the committee's attention. These tax issues actually impact the sale of vehicles in Ontario. The first is personal income tax. In the 2001 budget, the government announced that the threshold above which the surtax becomes payable would be increased, effectively eliminating the first tier of the current two-tier tax system. The CVMA commends the government for taking the first step and encourages the government to proceed with complete elimination of the surtax for all income levels. We believe this action will go a long way toward easing the affordability challenge that continues to impact Ontarians in their ability to purchase large goods.

The second tax issue, which we also believe affects vehicle sales, is the tax for fuel conservation or the TFFC as it's commonly referred to. Our view is that the TFFC is seriously flawed and that ultimately the tax provides a disincentive to purchasing the cleanest and safest vehicles. It provides consumers with absolutely no incentive to replace their older, less fuel-efficient, higher-polluting vehicles. In the 2001 budget, the government of Ontario announced a process to reverse the TFFC. As yet, the review process has not been put in place. Rather than further protracting review of the issue, we are simply asking the government of Ontario to immediately repeal the TFFC simply because it is bad tax policy.

The third taxation issue is the rebate on alternative fuel technology vehicles. Currently, the rebate only applies to hybrid electric cars but does not apply to other hybrid electric vehicles such as light trucks, minivans and the expected new generation of sport-utility vehicles. This arrangement contributes to a preferential and limited marketplace, which in itself is a problem, but more importantly it falls short of the environmental benefit derived from hybrid electric technologies applied across a broader range of vehicle types.

In closing, I would simply like to reiterate what we have stated, particularly that Ontario requires the investment climate that will make our province attractive to investors. We would suggest that an automotive investment strategy, which we would be prepared to talk to you about, is one way to take us in that direction, as well as a fiscal policy that will help keep our economy moving.

That concludes our remarks.

The Chair: Thank you very much. We have three minutes per caucus, and I'll start with Mr Christopherson.

Mr Christopherson: The issue you led off with, the strategic automotive investment policy, is that strictly a bilateral relationship between your organization and the government, or are you looking at bringing in other players such as, perhaps, parts suppliers, unions that represent the workers, communities, things like that; so, narrow or broad membership?

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Mr Nantais: I think ultimately for a good automotive investment strategy to work in Canada we need not just the automobile assemblers themselves but our parts makers as well, and it has to be done at the federal and provincial levels. When you look at Ontario and the fact that the automotive industry accounts for roughly 20% of our GDP here, it absolutely has to be at the table. Ontario must be part of the automotive investment strategy.

Mr Christopherson: I'm sure you already know, surprising as it is, that two of the members on the government side who have automotive facilities in their backyards are part of a government that doesn't agree. They don't think there should be any kind of special attention paid to the auto industry, and the same for steel. I'm from Hamilton, so both of those industries affect us. For the life of me I can't understand why they wouldn't say there ought to be some kind of focus on these. They'll get a chance shortly. Maybe they can defend that position then.

The second thing is that Buzz Hargrove was here, and he said that he has yet to speak to someone on the manufacturing side, either publicly or privately, who is supportive of the current plans to deregulate and privatize hydro. Your thoughts on that, please.

Ms Tayce Wakefield: Conceptually we think that competition in the hydro market makes sense. Obviously, the devil is in the details. We have been working to some degree with the government to make sure that some of those details go right, as well as working with the IMO and others to prepare ourselves for the market. So I

would say that conceptually our industry is supportive of competition in hydro supply in the province.

Mr Christopherson: Would it be your preference that the current plans are sort of shelved a bit until things are looked at further?

Ms Wakefield: No, we would not suggest that we delay it. We would like to continue to work with the government as the issues emerge, to make sure that it goes as smoothly as it possibly can.

Mr Christopherson: What are some of the things you're concerned about?

Ms Wakefield: One of the things we have worked with the government on is an emissions trading scheme, for example, that was originally conceived primarily for hydro producers but could be something that would be a viable set of options for the entire business community. So the government has rescoped, really, that plan to make it broader, and we are working with them to make sure that that works, not just for hydro suppliers but for business generally. Where we have identified issues, we have been able to work closely with the government.

Mr Christopherson: You're satisfied—

The Chair: Mr Christopherson, I have to go to the other side.

Mr Galt: Thank you for your presentation. As Mr Christopherson just mentioned, Mr Hargrove was here the other day with the Canadian Auto Workers talking about assistance being needed, and he was talking about corporate welfare, the term he used, looking for it, and felt that we should be competing with some of the southern states and putting out lump sums of money to attract the factories or plants or to even renew some of the existing ones. He was indicating how the production of cars was going to drop right off in Canada, had started and was going to continue. Scotiabank economists were here this morning, and their graph showed how the production of cars in Canada was going to increase in the future. Two different views.

Your presentation today is more consistent with the style of our government, getting rid of some of the taxes, some of the barriers in various areas. What's your opinion of the CAW and their request to our government looking for corporate welfare to maintain or increase the production of cars in Ontario?

Ms Wakefield: First of all, the CAW are great partners with us in the workplace. I think at a high level we certainly have the same message, which is that Canada and Ontario need a strategic auto policy. In terms of the specifics of that, the items that we've put before you today—first of all, we've said it's not a single thing. It is an array of items, some of which are tax and fiscal, some of which are regulatory. On the tax side, since this is a budget discussion, there are really two sets of issues. One set is removing barriers to general investment, and particularly capital-intensive investment, which auto assembly and auto parts manufacturing is. So that would be getting rid of the capital tax, the corporate minimum tax, those kinds of things, which are negative for any capital-intensive industry.

The second thing would then be to look at any special preference you might want to provide to the auto industry in particular, recognizing that it's a strategic industry. In that regard, we would be more inclined to look at investment tax credits for manufacturing investment rather than grants. It's not dissimilar in terms of intent, except that grants tend to benefit greenfield investors where investment tax credits tend to benefit anyone who is making an investment. I'm not sure that we want to disadvantage GM, Ford and Chrysler, which have created tens of thousands of jobs in Canada for 80, 90 or 100 years, just to reward somebody who might be new coming to town. So that's why we prefer investment tax credits.

The other thing I would say, and Mark mentioned it earlier, is that I really think we need to strategically take a look at property tax in this province, and it relates to steel as well. What you find is that big, single-industry towns across the province have much higher tax rates for large industrial taxpayers than are prevalent in any other jurisdiction in North America, including many jurisdictions in Ontario. I think the last time I looked at it, Hamilton was the property tax capital for large industrial in North America, but Oshawa, St Catharines, Windsor, many of the big auto manufacturing locations, also are disproportionately high. To my friend from Brampton, for example, our rates in Oshawa are about twice what are paid in his locale, which strikes me as an uneven playing field, and there's no strategic reason why that should be. So that's one issue that we'd certainly encourage the government to take a look at fairly quickly.

Mr Phillips: It's quite a list of recommendations. Yesterday there was a bit of cold water thrown, I think, with the minister indicating that we have a \$3-billion to \$5-billion shortfall and the Bank of Nova Scotia telling us today that it's not a short-term thing. So we are looking at scarce resources and fairly large demands.

On the property tax one, well over half your property tax, I think, goes to education, and that rate is set by the Premier. What has been their response when you tell them that the majority of property tax is going to the province and they're setting the rates? Have they indicated whether they're prepared to—

Ms Wakefield: The business education tax rate has gone down. The province has been on a track to reduce it. In fact, I think it was last year that they did a sort of double dip—they gave us two reductions in one year, which was positive. We'd like to see that again this year, guys.

Mr Phillips: Am I wrong? More than half your property tax does go to education.

Ms Wakefield: Yes, but we've seen positive progress on that half. Obviously we would like to see more quicker, but at least we have been making progress there, Gerry. The other side of the coin, working with municipalities, has been quite challenging. There's a decided reluctance—and with some of the tools, like capping, it makes it difficult for the regions, even the regions that want to—to get our rates down in an orderly fashion. We

looked at some numbers in Oshawa, for example, that said if we continued at the rate we were going with clawbacks and capping, it would take us something like 100 years to get to what would be our fair assessment base.

The Chair: With that, I have to bring it to an end.

Mr Phillips: Really?

The Chair: Yes. Three minutes is really short. On behalf of the committee, thank you very much for your presentation this afternoon.

REGISTERED NURSES ASSOCIATION OF ONTARIO

The Chair: Our next presentation this afternoon will be from the Registered Nurses Association of Ontario. I would invite the presenters to please come forward, and if you could state your names for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Doris Grinspun: My name is Doris Grinspun and I'm the executive director of the Registered Nurses Association of Ontario. RNAO is the professional association for registered nurses all across the health care sector. We have a long-standing history of promoting healthy public policy. We are very pleased to carry on this history by our presentation and submission to you today.

First of all, let me give you just a brief snapshot of our profession. There are 108,000 registered nurses in Ontario, who entered the profession to serve the health needs of the public. This is a profession that offers exquisite rewards, but I would be remiss not to mention that circumstances make it difficult at times to realize this potential.

1700

Despite all the talk about a nursing shortage, we still have only 53.1% of RNs who work full-time in this province, and that's a big problem. We have 35.8% working part-time and 11.1% working casual. We need to work together to remedy that situation if we want to serve the public.

This is a new phenomenon in nursing—this is not something that always existed—and was propelled first by the recession of the early 1990s and then by the health care restructuring from 1995 to 1998, where there was a purposeful move by employers to move people to part-time and casual positions under the thinking that we will save on benefits and other items. But of course we are paying it on sick time, overtime and agency time today.

Short-staffing has led, therefore, to excessive workloads in all sectors. This has combined with inadequate supports that make it ever more difficult to provide for client needs. The consequences, then, are not surprising when we are now confronted with very extreme rates of illness and injury among nurses. As a result of that, we also have the increased utilization of agency nursing, which is costing a bundle and not providing continuity of care. We have movement of many nurses out of the

province, and we have early retirements that are directly attributed to workloads. Together, we could prevent that too.

Nurses realize and appreciate the steps that government has taken to undo some of the damage nursing has suffered over the past several years or decade. The Nursing Task Force was struck and its recommendations were accepted. These recommendations are well in progress and have created a positive momentum toward stabilizing the nursing profession. Nonetheless, the situation for nurses continues to remain difficult and many nurses are burning out.

This is a matter of concern not only to the nursing profession; this is and should be a matter of concern for Ontarians and also for our government. We believe that it is, and that we should jointly resolve the issues that are remaining. It has serious implications for the sustainability of the health care system. Regardless of any debate that is going on today, the issue of health human resources, if not resolved, will confront us and we will not be able to sustain the system.

What do we recommend as essential steps for the system? First and foremost, nurses want a sustained commitment by government to health care and to nursing. This means a strong, publicly funded, sustainable health care system. This is part of what defines Canada and it is also the most effective and cost-efficient system, offering a huge competitive advantage for business in Canada. Investing in our medicare system, therefore, is not only a commitment to decency but it is also a prudent business investment.

Our submission demonstrates that we can afford this investment. Health care spending, in our view, is not out of control, and the data show exactly that. Instead, it is the dramatic cuts in overall government spending that give the illusion of large health care spending. Government must be fiscally prudent and ensure that it has the revenues to pay for our cost-effective health care system and to maintain the positive momentum of the past few years.

Further tax cuts will seriously constrain government's ability to act. This is not what Ontarians are asking for. This is not what Ontarians need. We haven't heard or seen any public poll where Ontarians say they want further tax cuts. What they want is a better health care system, more access to it and equality in it.

Moving forward on primary health care reform is pivotal. We ask for a more transparent process and we ask for incentives that will result in greater interdisciplinary work. What we have now is yet again the reverse of incentives, where, for example, doctors are being paid to do work that nurses can do without any extra pay. An example of that is pap smears, and there are many other examples.

For the nursing profession, achieving adequate staffing levels is critical to efficiently maximize quality of care. This means continued earmarked funding, with clear accountability mechanisms to ensure Ontario's RN-per-population ratio is comparable to the rest of Canada.

We have made improvements. We need to continue together to make more improvements in this area.

This also means funding in a way that will facilitate long-term planning in health care delivery. We are already hearing the rumours of layoffs. It's done now in a quieter way than before, it's not in the media, but nurses are calling us. We can't afford any single layoff, because it will backfire and nurses will leave in masses to other provinces and other parts of the world.

We must create greater stability in employment and we must create many more full-time positions. Government and the nursing profession already agreed over a year ago that we need to move to at least 70% of nurses in full-time positions. We have made baby steps. We now need to make very big steps together.

We need to make better use of nurses, including nurse practitioners. I would be remiss again not to remind you that we have over 185 unemployed nurse practitioners in this province at a time when the public is crying that they do not have access to health care services. Nurse practitioners could be providing this access right here to Ontarians, but instead, some of them are leaving for Saskatchewan and some of them will begin to leave for the Northwest Territories.

Improving working conditions and access to fulfilling employment opportunities is a must to stabilize nursing human resources. To act to reduce the wage and benefit disparity between sectors is a must if we don't want an ongoing exodus of nurses in the home care sector in favour of the hospital sector, not because they prefer to work in the hospital sector but because they get a lot more money. We don't want to create a situation, not for Ontarians and not for the profession, where what will start to attract nurses from one place to another is only the money but not the clinical expertise they have.

We commend the government for its commitment to multi-year funding for very important initiatives that have begun to recover the nursing profession, for example, the clinical best practice guidelines project, which is providing not only provincial leadership but, you need to know, is also resulting in national and international recognition. We are just now entering into a consortium with the UK in relation to the best practice guidelines project you have funded. It's one of only four countries that has such a project.

The nursing education initiative is another excellent example, as well as advanced clinical fellowships and the many recruitment and retention initiatives that we are doing together. But in order to support a critical knowledge worker, we cannot stop here. We need to do some new initiatives that we believe will be to the advantage of the public, government and the nursing professions.

There are three initiatives I would like to mention. The first one is an orientation prototype for nurses in the hospital and home care sectors that will allow nurses to be not only welcome but begin to have a good orientation in a cost-effective way in both of those sectors.

We are also asking for an investment of \$1 million in the development and pilot-testing of nursing teaching

units. You have all probably heard in your areas that colleges and universities are having a great deal of difficulty finding clinical placement for students, and it's simply because nurses are exhausted and cannot provide the right mentorship for those students. We are offering to you, and we have the proposal ready, the piloting of nursing teaching units that will resolve or begin to resolve that situation.

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Lastly, and this is probably the most exciting of the initiatives, is a recruitment and placement agency. You all hear from employers, "We cannot find full-time nurses." We hear from nurses who cannot find full-time work. We want to offer to you to build on previous initiatives like the career line, like the initiative that we did with nurses back home with the US, and create this agency to be led by RNAO and RPNAO. It's not costly—it's \$750,000 and it's one-time-only funding. We will not charge the nurses or the employers, and we will begin to close the gap.

Our recommendations are directed to enabling nurses to provide timely, high-quality care that Ontario residents expect and deserve. We know that the government understands and shares these objectives and if we act together we can, and we will, resolve the health system challenges, including the nursing shortage.

Thank you. I will be very glad to respond to your questions.

The Chair: Thank you very much. We have two minutes per caucus. I'll start with the government side.

Mr O'Toole: Yes, thank you. I'll share one question. I just have two points.

The agencies: I tend to agree with that, because 11% of the registered nurses are part-time and I know there's money over and above the hourly rate for the recruiter. If there's money to be saved there, I'm prepared to look at that one for sure.

The other one I have a problem with, and I don't want it to be seen as any kind of insult in any way, but I think if we categorize all the nurses with a BA—they have to have a bachelor of science degree—the first thing they'll want, as opposed to a stethoscope, is a briefcase, an office and a secretary to do the work. I have a problem with that. I'm very concerned that we have front-line, high-quality nurses more than any other practitioner in the hospital. So it's not against nursing, it's, how do we make sure that their principal function is nursing?

Ms Grinspun: John, let me respond to you. I think we have probably discussed this in the past. A couple of things: you and I will not be here to see all nurses having a baccalaureate. That will take a least 30 more years, OK? Some 84% of the nurses have diplomas today, not baccalaureates, so do not worry. I wish I would be here to see that; I regret I will not. The reason I say I wish I would be here to see it is because you wouldn't dare put your healthy child in a school with an unprepared person, but you're willing—and people are doing that not by choice—to put a sick child with a person who doesn't have the same level of preparation. So the level of

preparation that people require even today, but certainly five, 10, 15, 20 years from now, is at the baccalaureate level from the point of view of the knowledge level that people require and even more so will require, so we are preparing the next generation and even two generations more. We are not preparing for what the situation is today.

Number two: if it's in relationship to, are we going to have the right numbers, we will and we responded about that to Mr Beaubien. We also responded today to the finance minister, who asked the question. The baccalaureate entry to practice not only will assure the knowledge base that people in this province and others require but actually the numbers that people will require. We have increased enrolment in nursing more than before and, more importantly than that, not only the numbers; we have increased significantly the number of nurses who are choosing nursing as their first career choice. So you will be saving on attrition—we used to have a lot of people starting in nursing and going somewhere else.

The Chair: Mr Phillips.

Mr Phillips: There's so little time and so many questions.

The issue of part-time is a huge issue and for many nurses I've talked to it that kind of leads to working conditions they're not that happy with. What is driving that? What has driven that? Has it been the employers believing they could operate more cheaply, or is there any part of this that is responding to nurses wanting the part-time flexibility? Or is it mainly the employers wanting—

Ms Grinspun: Let me give you that in a very brief and fast snapshot, because of time. For three decades, from 1965 to 1990, we had anywhere between 29% and 32% of nurses working in that category. That was the history. Even in the best-case scenario, where they worked it by choice, that was the percentage.

The recession of 1992 moved this country to 37% working part-time/casual and then the health care restructuring was a system-forced issue that absolutely moved nursing to 47.7%. Today we have 47% in Ontario. So it was not the nurses' choice.

Now, because of working conditions and because people get the sense of having a life, quite frankly, probably more than the 30% that we used to have will choose to remain in part-time/casual unless we improve those working conditions. But certainly, it's not the 47%. So there is a mismatch between employers that need full-time nurses, or at least they say they need them, and nurses who are saying, "We want full-time work," especially new graduates who cannot find full-time work. That's the gap we would like to close through this recruitment and placement agency, because there is a gap there.

The Chair: Mr Christopherson.

Mr Christopherson: Thank you for your presentation. It was informative and enlightening, as always.

I want to pick up where Gerry left off. It just seems so wonky that there's a demand for nurses—everyone's

saying it, even the government admits that; if they don't admit they made a mistake, they've at least admitted they need more nurses in the system—and yet they can't find full-time work. Then you're also saying that there are rumours of layoffs, and 185 nurse practitioners who aren't working. Who's thinking of laying off nurses, first of all, and secondly, why are there so many nurse practitioners who aren't working at a time when demand is clearly increasing?

Ms Grinspun: Our solution for the issue of the nurse practitioners is that any new funding that is going to be allocated to nurse practitioners be set as a separate pot of money, not allocated to the family health networks. Because in our view, the family health networks, quite frankly, are not run by government or by Mrs Wilson; they're run by the OMA, who spoke today, and the OMA is not going to utilize nurse practitioners if we like it or if we don't like it. Set it up as a separate pot of money and let the OMA—all the others say we need nurse practitioners, community health centres say we need nurse practitioners, and other models, like home care and long-term care, say we need nurse practitioners. Unfortunately, that's the situation. So it's an issue of funding and it's an issue of who controls the use of that funding. That's in relationship to NPs.

Why are they laying off nurses? The good news is that the employers are doing to it quietly because they fear the reaction of the association, quite frankly. Most probably that's the reason. The bad news is that they think they can afford in their own organizations to lay off people and they don't understand it will backfire by all the other nurses in that organization. As it is, morale, as you all know, is not the greatest in the world, workloads are heavy, so just imagine what those rumours—and some of them are realities—are causing to those workplaces.

Mr Christopherson: Now, if the rumours are true, are they being driven by a lack of funding for hospital administration?

Ms Grinspun: You will need to speak with the specific organizations. In my view, it's a mixture of funding and of poor management decisions.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

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ONTARIO ASSOCIATION FOR COMMUNITY LIVING

The Acting Chair (Mr Ernie Hardeman): The next delegation is the Ontario Association for Community Living; if they wish to come forward to the table. We would ask each of you to introduce yourself for Hansard. Welcome to the committee this afternoon. You will have 20 minutes for the presentation. Any part of that 20 minutes which you do not require for your presentation will be split evenly among the two caucuses that are here and the one that is totally missing.

Mr Christopherson: That would be the government caucus.

The Acting Chair: I wouldn't suggest who that might be.

With that, we'll turn it over to you for your introductions and your presentation.

Mr David Barber: Thank you, Mr Chairman. I'm David Barber, and I'm president of the Ontario Association for Community Living.

Mr Keith Powell: I'm Keith Powell. I'm the executive director of the Ontario Association for Community Living.

Thank you for giving us the opportunity to make this presentation today. We have appeared before this committee in previous years and we understand there is a much increased awareness of the mandate and the purpose of the Ontario Association for Community Living. However, we'll take just a moment to ensure that who we are and what we do is clear.

Initially our organization was founded by parents of children with developmental or intellectual disabilities. Those parents recognized that they needed certain supports and certain services in order to ensure the well-being of their sons and daughters. Over the years they established schools; later they established residential and employment support programs for their sons and daughters.

The mandate of our organization has grown exponentially as we recognize that in order to ensure the safety and dignity of people with intellectual disabilities, we had not just to provide services or supports to people themselves, but we needed to develop a capacity in our communities to include people and to support families in natural ways so they could do the job of supporting their sons and daughters at home and in their schools and communities.

For almost 50 years we've worked together to bring people and communities together. At this point we would identify that we have two major focuses to our work. First, we support individuals as they develop their capacity to live, learn, work and participate in all aspects of living in the community. Second—and this is the critical piece about the future of this federation and the future, in fact, through which we contribute to the well-being of communities in Ontario—we help communities develop their capacity to welcome and support people who have not always had the same opportunities as the rest of us to participate in community life in meaningful and productive ways.

The direct support that is provided through our various member associations and organizations in the communities—your communities—throughout Ontario is critical to the individuals who are supported and to their families. It is an essential contribution to the service umbrella in communities in Ontario. However, group homes and employment programs, although appropriate for some people and perhaps appropriate in the past when other alternatives weren't as well known or developed, are not in the same demand as they were in the past.

There is a growing demand by families for funding that allows them to design and implement individual support plans for their sons and daughters. We're finding there is a demand for individualized packages of funding support for individuals to make them not needing to be dependent on service structures with large administrative costs and infrastructures. So our work has focused on encouraging the development of social policy in Ontario, through the Ministry of Community and Social Services, which provides individualized funding as an option for people.

Other parts of our work focus on changing attitudinal barriers. We do this on behalf of the people with intellectual disabilities themselves who speak to us directly. There's a mechanism in our federation called our self advocates council. The members of this council have told us repeatedly for the last couple of years two things very clearly. They've said, "We need to be free from harm, and we need your help in achieving that," and they've said "We can't live on the dollars that are being provided to us. There has to be an increase in the money granted to us by the province of Ontario for us to be able to eat well and for us to be able to afford habitable apartments."

David will speak to that issue in relation to the ODSP.

Mr Barber: The Ontario disabilities support plan has not been adjusted since 1993. People have been receiving the same amount of money over that period. You can well imagine what the ravages of inflation have done to that purchasing power. It's been quite significant.

I think it's important to identify that ODSP is not welfare; it's not considered welfare. In 1998, the Ministry of Community and Social Services created ODSP, separating it from the general welfare program in recognition of its importance as an essential disability-related support, so it's quite separate from that. But the maximum amount of money that an individual would receive would be \$11,160 a year. According to our estimates, that figure is about \$1,500 to \$6,500 below the Statistics Canada annual poverty line for a single person, depending on where the individual lives in the province.

Meanwhile, in addition to no increases having been experienced, the cost of living is continuing to increase in the province. Average single-bedroom apartment rents in central Ontario last year ranged from \$606 to \$760 per month, and it's expected to increase dramatically over the next few years, given a serious shortage in available rental units. I know in my area up in Barrie, it's not just a question of the increase in the cost; it's the question of availability for those individuals who want to live in supported independent-living environments. So we've got a really serious problem there.

We're also seeing, with individuals paying 65% of their monthly income on rent, that that leaves very, very little for food. The cost of purchasing food to maintain a healthy diet went up by 10% in 2001. There are many individual stories, and we've included one in particular in our report, indicating some of the challenges that individuals face when they're faced with that kind of limitation. So we really think it's time to review that matter and to look at increasing that and potentially putting in some sort of cost-of-living allowance that

would allow them to at least keep pace with the cost of living.

Finally, we believe this particular matter impacts more than just people with an intellectual disability; it impacts all those individuals receiving income under the Ontario disability support program. So we believe that if the government is going to look at that particular matter, it should be looked at outside of the revitalization and funding for new service development that's already been committed.

Mr Powell: In the last year, the finance minister announced \$197 million in new funding for revitalization in the developmental services sector and for creation of new services. We'd like the committee for the record to know how appreciative our federation and the developmental services sector are of that money. It was clearly seen as a response to a real need, and it was developed and allocated on the basis of a partnership with our federation and with our sector. That was very much appreciated.

Last year, MCSS provided \$55 million of the promised funds. The government needs to continue to build on the momentum established by last year's funds by investing at a similar rate in the coming year and by ensuring that every region gets its fair share of the available funds. We would illustrate that despite this increase in funding, workers in our sector continue to be funded at a rate about 25% lower than those employed directly by government, for example, in its own facilities or institutions, or by other broader public sector agencies.

What's the problem with this? This means that we can't hire people. This means that students don't register to take developmental service worker programs in community colleges. This means that individuals who have quite considerable and unique support needs are not going to have committed, long-term friends and employees involved in their lives. This means that people are vulnerable and are abused and are neglected. This doesn't suit what we feel we're capable of in Ontario, and it certainly is unacceptable in terms of the rights of all people living in Canada. So it is a critical factor to be addressed and it's why the funding initiative that was begun last year has to continue.

It's becoming increasingly difficult to retain staff because of the degree of staff turnover. Our presentation paper here indicates that we continue to experience an average staff turnover rate of 22%. You can imagine, if you've invested in providing orientation and training to new staff, how much money is effectively wasted because they turn around and leave, looking for better employment because they do not see that in the long term they can make an adequate living by continuing to work in our sector. This is an inefficient use of resources. Maintenance of qualified staff is key to ensuring that people are supported in an efficient and effective way and that they are free from harm.

1730
Our paper also mentions a couple of other issues which we have made the Ministry of Community and Social Services very familiar with.

There are a large number of people waiting for service for whom no service or support is available. Currently, our local associations have identified over 8,800 people waiting for service. The shortfall in resources for these supports has the greatest impact upon people in the transition points in their lives: children leaving the early years to go to school, young people leaving school to become adults, and then those in their senior years and individuals whose families have cared for them all their lives, thus, we won't miss to mention, saving us as taxpayers millions of dollars by not having pursued the option of institutional placement. Of those families, many now are old and are no longer capable of providing the degree of support that they did to their sons and daughters before. Who's there for them?

So what needs to be done?

Mr Barber: Me?

Mr Powell: Go for it, David.

Mr Barber: We need to continue with funding promised to the developmental service sector over the next four years, ensuring that the investment is in the order of last year's investment, or at least \$40 million, approximately one fifth of the five-year promised allocation.

We need to distribute the 2002 funding equally between new services and revitalization. We need to make certain that the mechanism for distributing funding is refined to ensure equity across the province. I can understand the exuberance of the government in wanting to get the money out there, and that was very much appreciated, because there was no time lost in actually getting out there and helping people. But certainly we heard from many areas saying that perhaps the distribution system didn't encompass as many different groups as it might have.

We need to establish a long-term plan for the sector that will continually review rising costs for providing services and supports and ensure that the additional funds are found to address these needs. Such a plan should also encourage the evolution of creative and efficient approaches to developing quality supports and services. We think that certainly we're well on the way to doing that with a number of committees that have been established within the bureaucracy, so we're moving forward on this.

In conclusion, the commitment of new funding for the developmental services sector in last year's provincial budget was a step in the right direction in addressing many of the issues facing people with intellectual disabilities, and we're extremely appreciative that the government took the steps they did. This momentum must be maintained and the government must follow through with its promised resources over the next four years. The investment of this new funding should be done according to a long-term plan for the sector that will encourage creativity and increased responsiveness to individuals and their families. The upcoming budget must also begin to rebuild the income support benefits paid through ODSP to ensure that people do not suffer in poverty.

Thank you.

The Acting Chair: Thank you very much. That leaves slightly over two minutes per caucus.

Mr Phillips: I think the parents who have been faced with the challenges of looking after their children have needed the increased support, and I was happy to see it come last year. Have you had any indication from the government that this is just a matter of course, that this is likely to flow and that we shouldn't really be worried about it?

Mr Barber: We're not certain. With the budgetary constraints that the government might be faced with this year, there might be a diminished allocation and then perhaps a subsequent larger one in ensuing years when it's a five-year program. What we're looking for is to maintain the momentum by having continuity and receiving at least the same amount of money as we did in the first year of the commitment.

Mr Phillips: There is a challenge, because yesterday the minister did indicate that there is a \$3-billion to \$5-billion shortfall that has to be found on the spending side because there's no more revenue to be had, and that he's not going to touch health and, I gather, education. So it's down, I think, to OPP and courts and community services.

On the one hand, I thought that was a five-year commitment they made. On the other hand, there is at the very least a significant short-term problem. Just help me along a little bit. It was the year 2001 that you got the first instalment? Is that true?

Mr Barber: Yes.

Mr Powell: That's correct.

Mr Phillips: We're now a couple of months into this calendar year, and you haven't heard anything about whether they are going to move on the second phase of it or not?

Mr Barber: No.

Mr Powell: It was a multi-year commitment. We have been given no signals that it would be cut. We've seen what's in the media, and that alarms us considerably since, as we indicate in our paper, there's a direct relationship between the well-being of people with intellectual disabilities and adequate funding in the sector.

Mr Phillips: I noticed today the government spent \$300,000 on this—

The Acting Chair: Thank you very much. Mr Christopherson.

Mr Christopherson: You make reference to families in Windsor and Essex county. We had representations from them. You may know that. There were moments during that presentation when you could hear a pin drop in the room as people talked about their own family situation.

My sense of this is that it's a ticking time bomb, this whole issue of elderly parents who have been taking care of baby boomers, who are now middle-aged. But their parents are not going to be around forever. We've been hearing it a little more each year; a little bit more and a little bit more. I would think some of these cases are situations where it hasn't cost the Ontario taxpayers a

dime, where it has all been done by the family. I'm sure that's not all the cases, but a lot. So they don't appear on any lists. They don't show in any stats. They're not included in any of the existing pressures that are already on our community and social services and health services. None of those pressures are on there. That burden has been taken on by the parents.

I'm throwing something out and asking what your thoughts are about it. My sense is that this is a much bigger problem than most of us think, and than most of our stats will reflect, and that eventually it's going to hit us. When it does, it's probably going to hit us right around the same time as the rest of the demands that our generation is going to place on those very services. We're suddenly going to have this unexpected wave of people who need a lot of comprehensive care, where everything has been taken care of for them by mom or dad, and in many cases both, and they're gone. Am I over the top on this?

Mr Barber: I think you really identified it quite clearly. In point of fact, that wave is beginning now. The tsunami is on its way. It's building. It's starting to hit the shores now. It's beginning to hit.

Mr Christopherson: The bucks are going to be huge too. If you attempted to replace what has been provided in the home, immediately upon the passing away of the parents, and put that on the provincial bill—all those individuals—I've got to think that's going to be one hell of a huge amount of money. You're talking here about, lifelong, \$4 million, current dollars, per individual. So even if we're looking at probably 30% to 40% of that, because their health demands are greater, like the rest of us, as they get older, this is going to hit all at once and unexpectedly. Suddenly the curtains open and there they are, needing services.

Mr Powell: There's a fortunate coincidence between reduced cost and increased interest and willingness for people to live in the community with more natural supports. So to the degree that an investment is made in the capacity of families and communities to include and support people in less intrusive ways, there will be savings. There will be more money to go around for those who need it. The costs that are reflected here directly relate to individuals who would have been in full-care situations. That is not necessary in a majority of cases where there's adequate planning and where the individuals have had built around them a circle of support that assumes a major responsibility—

Mr Christopherson: But isn't that the whole key today? The message is: start planning for it, get ready for it, so it's not happening at once.

The Chair: I have to go to Mr Spina. Thank you.

1740

Mr Spina: I understand where David is coming from, but I have a lot more confidence, as I think you tried to display, in what's happening. Clearly the government and the minister identified this oncoming wave and took a substantial initial step, as you so clearly indicated, last year with the commitment.

I'm very proud of the fact that BCCL, Brampton Caledon Community Living, is probably one of the better and more active ones in the province. I know I'm not the only MPP who stepped forward to speak on behalf of the gap that was becoming recognized of challenged people who needed respite care and ongoing care as they left the high school system and as they became orphaned, in a manner of speaking, even though they're adults.

Mr Phillips indicates that if health care and education are the only ones that are not going to be cut, then you've got to be among the rest on the list. There are 21 ministries in government, and I suggest to you that elements like yours are likely to be very well protected. There are a number of us in this caucus who would certainly be defending the budget levels of the service you deliver.

So I'm not going to ask you a question; I'm going to thank you for the work you do and assure you that there are people in this government caucus who will be looking out for you.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Mr Spina: You've got too many prisoners being coddled.

ONTARIO CHIROPRACTIC ASSOCIATION

The Chair: Our last presentation this afternoon will be from the Ontario Chiropractic Association. I would ask the presenters to please come forward.

Interjections.

The Chair: Let's have a bit of order. It's the last one, and I don't think you don't want to be here until 6:30.

If you would state your name for the record, please, on behalf of the committee, welcome.

Dr Dennis Mizel: My name is Dr Dennis Mizel, and I'm the president of the Ontario Chiropractic Association. With me today are Dr Jan Kempe, who's our past president; Dr Bob Haig, director of government affairs; and Mr David Chapman-Smith, our general counsel.

The chiropractic profession now comprises 2,600 registered chiropractors in the province of Ontario. The Ontario Chiropractic Association represents 2,300 of those individuals, which is 85% of the practising chiropractors in the province. Let me first say that the OCA would like to thank the standing committee for this opportunity to present this submission during the pre-budget consultation.

I'd now like to turn things over to Dr Jan Kempe.

Dr Jan Kempe: In terms of the Ontario budget, the single greatest area of expenditure for the government of Ontario is the health care system. It is known by all stakeholders that very large potential savings, coupled with more effective care, can be achieved from better coordination and substitution of services. For example, nurses are able to provide many services traditionally provided by physicians, and chiropractors can work with nurses, physicians and others to see a higher proportion of patients in areas of health care where chiropractic

services have been established as effective and cost-effective, notably for low back pain and other neuromusculoskeletal disorders.

With respect to chiropractic services, health economists predict direct savings of at least \$380 million per annum, and indirect savings, that being from disability and lost productivity costs, of at least \$1.25 billion per annum if barriers to access chiropractic services are reduced so that the number of Ontarians using chiropractic services for musculoskeletal pain doubles from approximately 10% to 20% annually. Reasons why such substantial savings are possible, according to health economists Manga and Angus from the University of Ottawa, include that approximately 95% of chiropractic practices in Ontario involve the management of patients with neuromusculoskeletal disorders and injuries.

Musculoskeletal disorders and injuries are the second and third most costly categories of health problems in economic-burden-of-illness studies. Musculoskeletal disorders are also among the most important reasons for activity limitations and short-term disability. They rank first in prevalence in chronic health problems and first as a cause of long-term disability.

Musculoskeletal disorders rank first as a reason for consultation with a health professional in Ontario and rank second as a reason for the use of prescription and non-prescription drugs.

The poor and lower-middle income groups and the elderly are low users of chiropractic, mainly due to the deterrent effect of the high copayment or user fees. Yet the prevalence of neuromusculoskeletal conditions is highest among this socio-economic group.

There's considerable empirical support for the cost-effectiveness and the safety of chiropractic management of musculoskeletal disorders. This means that chiropractic care can bring about improved health outcomes at a lower cost.

The OCA well appreciates that the government is aware of these facts and that there now needs to be better reorganization and use of Ontario's 26 regulated professions, each with its own specialized education, each with its own specialized clinical skills and competencies.

The problem has been that the current health care system, including its methods of funding, does not allow the government to take advantage and act upon this reorganization of health care services. The key issue for government is how to make the changes that will allow Ontario to take advantage of the savings which we all know are there to be made.

Presently, there is a new and important opportunity—primary health care reform. The Ontario Family Health Network and the Ministry of Health and Long-Term Care are now working on a fundamental reform of the way in which primary health care services are to be delivered throughout Ontario. The OCA recommends that the government use this reform process as the vehicle for achieving much more effective and cost-effective care through the incorporation into primary care teams and centres of regulated health professionals who have

established and important roles to play. These would include, for example, chiropractors, midwives, nurses, optometrists, physiotherapists and psychologists.

With respect to chiropractic services, for the past year Dr Silvano Mior, dean of graduate studies and research at the Canadian Memorial Chiropractic College in Toronto, has been seconded to the ministry on the recommendation of the OCA. With the ministry and the OCA he is working on the development of models and protocols for pilot-testing the delivery of chiropractic services within the primary health care team.

Similar developments are currently found in the United States and European countries, such as Denmark, Norway, Switzerland and the United Kingdom. A major stated goal in each country has been the reduction of the large costs and burdens of back pain.

To achieve major savings in health care, disability and lost productivity costs in Ontario, through the better integration of chiropractic services in the health care system, the OCA respectfully recommends that the government of Ontario should now act on the recommendations of the ministry's 1994 Chiropractic Services Review Committee report: (1) by removing inappropriate barriers to access to chiropractic services; (2) with respect to health care system barriers, by encouraging the availability and use of chiropractic services within the Ontario Family Health Network, especially for patients with back pain and other neuromusculoskeletal disorders, and encouraging the availability and use of chiropractic services in all other primary and secondary health care settings as appropriate, including community health centres, health service organizations, long-term health care facilities, nursing homes and hospitals; (3) with respect to financial barriers, in order to allow for the appropriate primary care access and integration, restoring funding for chiropractic services to the level of funding in the 1970s, namely, 2% to 3% of the OHIP provider services budget.

Following an extensive review of chiropractic education and practice in Ontario, the central recommendation of the Wells report was, "That on the grounds of effectiveness, safety, patient satisfaction and public acceptance of chiropractic services, particularly in the management of neuromusculoskeletal disorders, chiropractic services should continue to be accepted and funded by the Ontario health insurance plan."

In conclusion, the OCA has titled this submission Making Ontario Competitive by Reducing the Cost Burden of Musculoskeletal Pain and Disability. Attached please find the executive summary of the Manga report, 1993, commissioned by the government of Ontario and reporting potential savings of "many hundreds of millions annually" through the better management of back pain, the leading health cause of disability and cost in Ontario.

Thank you once more for this opportunity to appear before the standing committee on finance and economic affairs. I and the other OCA representatives will be pleased to answer any questions you may have.

1750

The Chair: Thank you very much. We have three minutes per caucus and I'll start with Mr Christopherson.

Mr Christopherson: Thank you for your presentation. What do you suspect are—or know outright, if that's the case—the barriers? Why has this been such an incredible mountain for you to climb, do you think? In your opinion, what is it?

Dr Robert Haig: The cost is the obvious answer to that. I think that's the case, not just the cost but the cost in the structure. The fact that providers in Ontario are funded out of different budgets, silo funding that exists, and they're not integrated so that there's not an incentive for co-operation on behalf of the patient is the main problem. That's essentially what we're saying. There's no question but that there's the potential for very significant savings. There's all kinds of evidence that demonstrates the effectiveness and cost-effectiveness compared to other services. The problem is finding a way to capitalize on that. That requires structural changes in the way that services are delivered and the way they're funded as well.

Mr Christopherson: What about the involvement of other elements of the health care system—professionals, doctors, specialists and the like?

Dr Haig: The relationships between chiropractors and medical doctors and nurses and everybody else is very good on a practical basis. Twenty-five years ago, when I started practice, there was not nearly as much interaction. The majority of my patients are referred by physicians at this point. So on an individual practitioner level there's not a problem. One of the biggest problems that physicians have in sending patients to chiropractors is the financial barrier. The reality is that the amount of funding for the services has dropped, by any measure you want to use, very consistently, so that the patients are paying the vast majority of the cost now. I don't know if everyone would appreciate me saying this or not, but just adding more money isn't really the answer. The answer is finding a way to make the services work together and to get the people in the system working together.

Mr Christopherson: Other countries that have some form of universal health care, are there examples where they've included chiropractic services?

Mr David Chapman-Smith: My name is David Chapman-Smith and I'm the OCA counsel. I have been involved in the international scene quite a lot. Various countries in Europe are mentioned in the brief. The first one mentioned there is Denmark, where in fact chiropractic and medical students do their first three years of training together and then specialize. There's full integration within the system there, with back pain centres in the community and attached to hospitals where all the professions work together in a way that's working well and should be happening here. There's a much more competitive and piecemeal environment in the United States, south of the border, but just in the last two years, in the military health care system and in the veterans administration system following pilot studies, there's

federal funding for chiropractic services, again delivered on a co-operative basis in the hospital system and in the communities.

Mr Hardeman: Thank you very much, gentlemen, for your presentation. While you're here, is there anything you can do for my back?

Interjections.

Mr Hardeman: I've heard this on a regular basis, that in fact there are disorders and problems that can be solved by my local chiropractor every bit as effectively and more efficiently than in a medical doctor's office. One of the problems we have is that we never seem to be able to relate the savings to the pot of money. It seems that we're doing it cheaper but we don't find anyplace where we're saving the money. That never comes out. The proposal that you're talking about here would have the ability to do that. In a lot of areas we have these great ways of saying, "A dollar spent here will save \$5 there," but for some reason, when we go there to get our \$4 savings, it's not there. Working with the medical profession is one of the biggest challenges. The first time I ever went to a chiropractor was not on the recommendation of my medical doctor; it was at the suggestion of someone else who had had their problem solved. I was wondering if you could address that, to make sure that there are savings.

Secondly, as we're talking about the provincial spending on chiropractic services, is that common in other provinces, or are we going to be beyond where other provinces are as far as bringing chiropractors in as an OHIP-covered service?

Dr Haig: We completely understand the problem of "Here's a saving. Where did it go?" I would expect you've had all kinds of people saying, "We do things better. You'll save money." It isn't a question of whether or not there's potential savings there, because there are. If you look at the science, you won't find people who argue about chiropractic services for the management of mechanical back pain, which is huge in terms of costs, dollars and societal costs. Chiropractors manage it very well and very cheaply.

But right now you can't achieve that saving, as long as all the funding is in different little silos. That's the point that we've trying to make. Somehow, you as a government need to find a way to integrate those things. It's a huge budget, the health budget, and if you can find a way to do that, then you can get out of the cycle of year-over-year looking at things.

If I can go on for just a second here, while this has been happening, while all this evidence has been accumulating that chiropractic services are in fact a very cost-effective way to handle this problem, the funding has been going down. It used to be almost 3% of the OHIP budget; it's less than 0.4% or 0.5% now. So

relative to everything else, it has been going down, so the opposite has been happening. But that's because of the way that funding is looked at, in silos. Do we have to do this or not?

Mr Phillips: You have your finger on the problem, the silos. I think there are cases where, if we were to list a drug, it would be cost-effective and save money on a hospital, but there's no way to get the money from the hospital budget to the drug budget. It's a challenge for us.

Just so I understand the magnitude of the dollars that you're suggesting here, I think you said something like, "It's less than 1% of OHIP." Do you mean the fund that pays the doctors, which I think is about \$6 billion?

Dr Haig: It's about that, yes.

Mr Phillips: So right now you get maybe—

Dr Haig: The total budget for chiropractic services?

Mr Phillips: Yes.

Dr Haig: It's about \$100 million.

Mr Phillips: You're suggesting it should go to what?

Dr Haig: What the health economists say is that if it was double that, so that twice as many people could go to chiropractors, that has the potential for the \$300 million in direct health cost savings and indirect savings. But the thrust of what we're saying is that you need to find a way to coordinate the services.

Mr Phillips: You're absolutely right. It's a fundamental challenge.

If I have another half-second here, I've noticed a couple of broadsides fired at you from the medical profession, or it at least it looked like it to me. Did you care to comment on that? Is that part and parcel of this silo issue?

Mr Chapman-Smith: Are you talking about neck manipulation and dangers, that sort of thing?

Interjection.

Mr Chapman-Smith: We could be here for a long time. I was part of a major press conference that the Canadian Chiropractic Association had 10 years ago, the last time this went around. The subtitle in the headline says, "A Turf War Again."

Mr Phillips: I appreciate that.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

Before we adjourn, I need your direction. In the sub-committee minutes, we had asked that the draft report be submitted by April 1. April 1 is Easter Monday, so I'm asking if I can get unanimous consent to move it to April 2. Is that OK? Thank you very much.

With this, I hope everyone has a good weekend. This committee will adjourn until Monday at 10 o'clock in room 151.

The committee adjourned at 1800.

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Second Intercession, 37th Parliament

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**Official Report
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Monday 4 March 2002

**Standing committee on
Finance and economic affairs**

Pre-budget consultations

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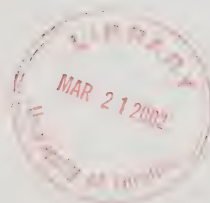
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 4 March 2002

Lundi 4 mars 2002

The committee met at 1002 in room 151.

PRE-BUDGET CONSULTATIONS

The Vice-Chair (Mr Doug Galt): I call to order the standing committee on finance and economic affairs.

TD BANK FINANCIAL GROUP

The Vice-Chair: Our first presentation and delegation is the TD Bank Financial Group, Don Drummond, chief economist. There's a whole hour set aside for you. After your presentation, the remaining time will be divided between the caucuses for questions. As you begin, please state your name for the record.

Mr Don Drummond: Don Drummond, chief economist, TD Bank Financial Group.

Hopefully everybody has the handout with some charts in it. I won't spend long on each one of them, so there'll be ample time for questions. I'm going to try to work down to the economic outlook for Ontario and what I see as the status quo fiscal situation. I've got to back up a little bit before I get to that.

Particularly with 94% of exports in Ontario going to the United States, just what do I expect for the US economy? I think we've seen the worst of what the US has to offer in this cycle. That was just in the one negative quarter, the third quarter: minus 1.3%. Late last week we had their estimate for the fourth quarter: 1.4% growth. I actually think the first-quarter growth will be somewhat stronger than that, although we have to be a little bit careful with that. There's a bit of a mathematical aberration here. All you need to get a strong first-quarter growth in the US is just for them not to draw on their inventories as fast as they have been previously. That doesn't even mean they have to rebuild their inventories, just not draw them down quite as fast, and that will give us a bit of a pop to 2.5% growth in the first quarter.

I do think that some of the robustness of consumer spending in housing recently will taper off. Particularly, the strength of the automobile consumption is far beyond what the demographics would require and I think it will slip a little bit in the second quarter, but not back into negative territory. I think that by the third and fourth quarters we should get some support from the business sector. I don't think the business investment will be all that robust, but at least it should stop declining by that

point and we will get a number of quarters of about 3% growth; so basically not a very sound economic background for Ontario until we get into the second half of this year.

Splitting over to Canada, to understand what's going on in the Ontario economy, I first have to explain what is going on sectorally. We of course have had divergences across sectors in previous cycles but nothing, in my experience, quite like this. I'm showing you two different time periods in that chart at the bottom of page 1: the first, January to October 2000—October 2000 was the last month we had fairly robust growth—and then November to December. Both of these bars will be at annualized rates. So the total economy went from 3.3% growth to almost a standstill at 0.5%. But that certainly was anything but even across the sectors.

Information, communications and telecommunications: we tend to think that sector has always been in the dumps. We read that in the media virtually every single day. It's important to recognize, though, that the service side of that sector, which is very big in the Toronto and Ontario economies, hasn't been doing that badly. It slowed down from 14.7% to 9.4%, but that's still a very robust performance from the service part.

Public administration has actually bucked the trend. This is largely due to expenditures earlier in 2001 in health care right across Canada. That's 4.2% real growth.

Oil and gas have gone from a positive to a negative as we've seen some postponement and cancellation of some of the drilling projects.

The two sectors that have uniquely defined this economic slowdown in terms of dragging down the rest of the economy have been the auto sector and information and communication technology manufacturing.

The manufacturing is really quite fascinating in the role it has played. It only accounts for about 1.5% of the Canadian economy and probably at most 2% of Ontario's economy, but in going from plus 40% growth to minus 40% growth, it accounts for almost half of the economic slowdown we've had from just this one tiny sector. I'll show you in a moment that unfortunately both of those sectors are overrepresented in Ontario's economy relative to their weight in the overall Canadian economy.

If you flip to the top of page 2, you can get another perspective of this dichotomy in economic performance between the manufacturing sector and non-manufacturing sector. Total employment, that black line, has actually

gone up slightly over the course of the last 13 months, but the non-manufacturing has increased at a reasonable pace. You can see the huge job losses that have been incurred in the manufacturing sector. Again, within the manufacturing that has largely been automobiles and information communication technology.

On the forecast for Canada, it's not too dissimilar from the pattern of the United States. We had that one negative quarter in the third. We just last week got a 2% annualized growth rate for the fourth quarter, almost all based on the strength of consumption in housing. I think there will be modest growth in the first half of the year, at about a 2% annualized rate, and then with the US building up to over 3% growth by the second half of the year.

I'll just try to hone down a bit on Ontario right now. I spoke about those sectoral dichotomies, so it's important to know how the composition of Ontario differs from the national average. There are a couple of things that stand out. One is of course that the primary industries aren't nearly as important here. But we do have a greater importance to one of the more stable sectors, being finance, insurance and real estate. Manufacturing has a much larger weight in Ontario than the total Canadian economy and in particular that overweighting of automobiles and ICT manufacturing.

On the employment side you can also see the dichotomy. This is taking employment from the end of 2000 through January 2002, so 13 months. We've had an increase of 16,000 jobs in Ontario, so not a very robust overall performance, but a very strong performance in construction right through this period. It's been totally atypical of Canadian recessions in the past, or even economic slowdowns. Construction did quite well right through the piece. Public administration had a major increase in employment and, reflecting the increases we've had in consumption right through this piece of economic slowdown, trade has done quite well.

If you go to the immediate right-hand side, you'll see where the job losses have been concentrated, and that of course has been in the manufacturing side and somewhat in information and culture. The performance in that last year is reflecting very large increases that happened the previous year.

This is on the top of page 4, and one of the sectors that will importantly determine the outlook will be automotive sales. I do think that automobile sales will come down fairly sharply over the remainder of this year. They've been at unsustainably high levels in both Canada and the United States, so we're looking for a decline of 3.8% in Canada this year and 8% in the United States. That will lead to a production loss of 2.5%. The good news, on an algebraic basis, is that most of that has already been reflected. Production will actually stabilize over the next little while and should increase toward the end of the year, but it won't be very robust and there will just be an increase of about 2% in production as we move into 2003.

At the bottom I was just looking at the dichotomy between the manufacturing and the services of informa-

tion and communications. You can see that, fortunately, in the Ontario economy the services side is over triple the importance of the manufacturing. Its output in fact has been increasing at almost a 9% annualized rate of increase, but you can see that the manufacturing side has been suffering quite a bit.

With that background for the US and the Canadian economies, I expect that following just a 1% growth rate in 2001, Ontario's economy in real terms will grow 1.8% in 2002, exceed 3% in 2003 and then average about 3% in 2004.

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I've used all that by way of leading to the table at the bottom of page 5, trying to generate my view of what would be the status quo deficit, and by "status quo" I mean anything that's legislated. I assume that stays in place. I'm assuming no policy change. This is not what I expect will be the final outcome. I would expect in a number of cases there will be a policy response, but this is just what kind of outcome could be expected if you don't have that kind of policy response.

I have to make a number of assumptions. Some of them you could quite rightly describe as being fairly arbitrary. For example, on the expenditure side, I assume that health care will increase at 5% per year right through 2005. Again, something can be done with that but that's the starting assumption, and all other expenditures I assume increase at the rate of inflation times the rate of population growth. In other words, they are constant in real per capita terms.

Revenues: as I indicated, I just use that economic forecast and assume that the legislated rate structure or tax bases that are in place right now continue. One thing we always have to remind ourselves of when we look at economic cycles is that you tend to get the revenue weakness a year after you get the economic weakness, and I think there's every reason to expect that will again be the case. Last year in Ontario, and Canada in total, there were billions of dollars collected in April and May of capital gains taxes from individuals that related to the 2000 taxation year but weren't paid until they filed their taxes. That will not happen this year. Personal income taxes in Ontario have been running pretty much even with their year-ago pace. That will fall off quite substantially when we go into April and May because there will be no capital gains. In fact, there will likely be refunds. Corporate income taxes until December 2001 had been holding up quite well. I think December was the first of many months, unfortunately, to come where we'll see that softening off due to the weakness of corporate profits in the economy.

When I put that together, coming to that underlying surplus or deficit—this is before any type of contingent reserve—I think there will be a small surplus this year, following \$3.3 billion last year, and then a deficit of \$3.3 billion, \$2.7 billion, \$2.1 billion and \$1.8 billion. If the government were to continue with the contingent reserve of \$1 billion, that would give, for planning purposes, a

deficit of \$4.3 billion in 2002, \$3.7 billion, \$3.1 billion and \$2.8 billion.

There are two important points, and I don't want to make too much of the preciseness of these numbers. Obviously you could put a large confidence interval around that, but the two points I want to make are that that would be a very large deficit for the fiscal year 2002, and it would not just be of a cyclical nature, because I have assumed a fairly reasonable economic recovery; yet certainly on that planning basis, the deficits continue to be quite large, even by 2005, at \$2.8 billion. It would be a risky strategy to think, "OK, the economy is down right now. We could just leave everything alone and it will come back." Well, this would suggest that no, it wouldn't on its own accord come back to a balanced budget, even by 2005.

Continuing on the top of page 6, it indicates that one of the main reasons for deficits emerging, in addition to the weakness in the revenues, is the assumption I made on health care spending. If it were to grow at 5% per year, that of course would be continuing to eat up the total of program spending. In fact, it would go from about 43% right now to 46% of total program spending by 2005. I don't think that is an inappropriate assumption of the 5% for a starting case because in fact in the last couple of years it has been greater than that.

At the bottom, just having a little bit of fun with the numbers—I don't want to make too much of the policy sophistication behind this but just for interest—I said, "What would be required to have a balanced budget in 2002-03 on a planning basis, in other words, to close that gap of \$4.3 billion?" Well, you actually have to have spending at \$2 billion lower than the 2001-02 levels. There is a whole bunch of ways you could get there, but one way would be to freeze health care—by that I mean nothing for inflation and nothing for population, so that would be a large per capita decline—and freeze education. Even after you did that, which is two thirds of the budget, you would still have to cut an average of 11% for the remaining one third of the budget.

My judgment from that is, I don't think that's in the set of feasibility. We'll get into the discussion, but my recommendation would be that barring some very large asset sales like LCBO or if somebody comes on really early and buys a lot of the power generation, you can't close that \$4.4 billion with one month to go before the fiscal year. I don't think it's even reasonable to think of freezing health care and education in nominal terms. The key consideration, I would suggest, would be not so much 2002 but to get rid of the structural element of the deficit as we move further out.

Just a couple of other final things; not that that's not a difficult enough challenge as it is, but there are still a couple of policy issues that need to be addressed.

One that is in excellent shape and from which I think Ontario will reap great advantages over time is what is shaping up to be a very competitive corporate income tax regime. We're starting to see some attention being paid to that. You may have seen a KPMG study recently.

There was also a study of the cost around the world in major cities to start up new high-tech ventures which also had Toronto being very competitive. A good part of that was assuming that the 8% tax rate comes into place as planned. As you can see, if you put together the federal tax rate with the Ontario rate, by 2005 that would give you 30.12%. The federal-only rate in the United States is 35%. So it would be below even a state like Texas that doesn't have its own state income tax.

The same cannot be said on the capital side, though. There is a commitment in the 2001 budget to eliminate the provincial capital tax, but the steps that have been applied so far are fairly small. I think not only is this a competitive issue with the United States but there is an interprovincial competition issue as well. Alberta has no capital tax at all and BC now only has a capital tax on deposit-taking institutions. So I think some further work is required on that side.

Progress has been made in bringing down personal income tax rates, but they are still fairly high in Ontario, particularly the top tax rate, which I show at the bottom. It should not be described as the high-income tax rate, because its threshold kicks in at the middle-income tax range. This is how much tax you would pay on your last dollar of income earned, and it ranges from Alberta down to 39%, which is at the higher end of the states south of the border but in the realm. Most of the US states, with the last Bush package, are in the 35% to 38% range, so Alberta is just a bit above that. BC actually, when they came in in August, reduced theirs quite substantially. It used to be a little bit higher than Ontario's but now they are well below. Saskatchewan is below. Ontario is sitting at 46.4%, definitely one of the higher rates.

As you can see at the bottom—actually, it was quite a surprise to me when the federal government did open up a new income tax bracket. At the federal level your top marginal tax rate doesn't kick in until above \$100,000. I would have thought that Ontario would have matched that but they haven't. In fact, interestingly enough, New Brunswick is the only one to exactly match the new tax brackets of the federal government and Ontario, kicking in the top rate at \$65,000. It's not really high income but toward the higher end of the marginal, of the middle class.

On page 9 I just make the point at the top that we tend to think of the high marginal tax rates as being a higher-income phenomenon. That's not the case. In fact, by far the highest marginal income tax rates are reached at fairly modest income levels. This will be a family income. If you look between \$22,000 and \$33,000, you can easily get a marginal tax rate of 60%, even almost as high as 70%. For people in this situation, they may very well be facing decisions of whether to go back and finish off their grade 12, go to a college, take a second job—you're only keeping one third of the money you earn from that. I think that has a very powerful negative economic impact on the incentives to work, save and invest, and some progress needs to be made on that front.

Similarly, I think there is still work to be done on some of the spending side. You will see at the bottom—

we tend to think that we have a much better education system than the United States and put more money in it, but we've been going in opposite directions now for the last 20 years. In real terms per student, the United States has increased its funding by 20% over the last 20 years and in Canada we've cut it by 30%. So we've created a 50 percentage point gap, to the point where the United States public sector spending on post-secondary education is about the same as ours where it was much less before. That has actually been exacerbated more on the Ontario side than on the Canada total side, as you can see at the top of page 10, where the per capita spending as a share of total government spending is considerably lower in Ontario than it is in Canada.

As well, you can see on the infrastructure that there's been a general decline in the importance of infrastructure. The total spending was halted somewhat by the beginning of SuperBuild, but that trend is still quite prevalent.

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In conclusion, I've just pointed out a package of problems you've got to deal with, so I'm sure shaping a 2002 budget is not going to be an awful lot of fun. But we have a very large deficit facing the province of Ontario in 2002. It's not just cyclical; there's a large structural element to it. It wouldn't be so bad if the debt wasn't quite high, but the debt is quite high. It's certainly eating up a large percentage of the revenue dollars to feed that. Although the personal income tax burden has been brought down, it is still quite high, and yet there is a need to make some strategic investments as well. So obviously a very tight rein is going to have to be made on other types of spending, and tough decisions made on the relative priorities.

That concludes my opening remarks.

The Vice-Chair: Thank you very much. We have almost 12 minutes per caucus. We'll start with the official opposition.

Mr Gerry Phillips (Scarborough-Agincourt): Thank you for the revenue forecast. The government won't provide us with any revenue forecasts, so we're dependent on people like you to give us some indication of revenues. I think it's fundamental to this committee to have some view on what's going to happen to revenues if we want to put forward some reasoned conclusions. As you pointed out, your big conclusion is that this is not a one-year challenge; it's—I think you used the term—structural.

Can you provide the committee with the basis on which you reached these conclusions? I know you've quickly summarized them, but just how did you get to the \$61.7 billion in revenue?

Mr Drummond: Sure. I'm more or less assuming that revenues will increase by a slightly faster margin than the nominal growth in the economy. It tends to be slightly faster in normal times because the personal income tax system, although it is now indexed, still has a progressive structure, so it tends to go up a little bit faster than people's incomes. I've adjusted that in two respects, and both of those respects hit 2002 and 2003 quite hard. The

first will be the disappearance of capital gains that we got so strongly last April and May when people did their final income tax filing. The second is that I am assuming corporations by a fairly large margin—and it is bizarre why they do this, but we've seen this in previous cycles—have actually been overpaying their taxes earlier in 2001 and 2002. So not only are we not going to get the traditional settlement period of payments from corporations, but we'll also probably see a fair number of refunds going back.

You saw that every single month from April right through to November, with corporate income tax revenues up strongly on a year-over-year basis, and yet corporate income taxes are down about one third. It doesn't make an awful lot of sense. I think we just saw the reality of that sinking in December, and of course that's going to hit Ontario's revenues quite a bit.

So I think things like the retail sales tax and all the excise taxes will continue to do well in 2002, but I think there will be very little growth in personal income taxes, and I think corporate income tax revenues will actually come down.

Mr Phillips: So you actually think revenues might drop by 2.3% or something like that?

Mr Drummond: Yes, relative to the level in 2001-02, which in a sense is artificially high, because a lot of those revenues came from those capital gains, which didn't have anything to do with 2001. They actually related to the 2000 taxation year.

Mr Phillips: I guess that would be the first time in at least 10 years that we've actually had a revenue decline.

Mr Drummond: Right.

Mr Phillips: You don't have a forecast in here that I could see for nominal growth or for employment growth.

Mr Drummond: No, but I can easily do that for you. I am assuming that if you look at the CPI, it will be about 1.5% in 2002. It will not get back to the 2% range until well into 2003, and then stay. You referred to revenue growth from previous years, but that's quite a bit lower rate of inflation than we've had before.

The price that's actually more relevant—if you look at the deflator for the entire economy, something like the GDP deflator will actually increase less than that, because prices for, like, investment goods, which is relevant for the retail sales tax, will go up less than that. So the nominal GDP for 2002—I have a real GDP of 1.8%—would not be above 3% at a nominal rate. And the 3.4% would probably only be about 5% nominal income growth, so not nearly the type of nominal income growth that Ontario has seen in the past, even with some reasonable real GDP numbers.

Bear in mind that that works both ways. That curtails the revenue growth, but I'm also assuming on the spending side that non-health spending grows with population and inflation, so the lower inflation, there should be an offset, and the expenditure path is going to be lower than it would otherwise have been as well.

Mr Phillips: The Bank of Nova Scotia said the other day that they expected employment growth to be 0.1 in calendar 2002. Do you have an employment—

Mr Drummond: I think it will be somewhat higher than that, because we have somewhat firmer growth. But I think it will probably be only in the range of about 0.5.

Mr Phillips: If that were the case, that's about 25,000 jobs?

Mr Drummond: Yes. We've all been wrong in estimating employment growth. Recently in Canada we've had job growth of 100,000 since October, and most were expecting it to be fairly flat. We had a huge employment increase across Canada, including Ontario, in January. I think that will slacken as we move into the rest of the year and not firm up very much until the tail end of the year.

Mr Phillips: Actually, the numbers I saw for Ontario in January were under 10,000.

Mr Drummond: Yes, but still not that bad when you consider the real economic performance that's been going on in the province and the bleeding that has occurred in those large manufacturing sectors.

Mr Phillips: You've assumed the stranded debt from electricity going up dramatically. Why would that be?

Mr Drummond: That's a decrease. The positives are a decrease. It's pulling down the size of the underlying debt. That's the schedule that Ontario had in their last budget. I don't know if that continues to be appropriate, but that was the only assumption that was available to me.

Mr Phillips: So you've assumed a decrease of \$700 million in the stranded debt.

Mr Drummond: Right.

Mr Phillips: You indicate that your feeling is we could be looking at a deficit of somewhere around \$3.2 billion.

Mr Drummond: That will be the actual figure, and then of course in past budgets they've added a reserve on top of that. I'm assuming that if we were sitting here today doing a budget and you wanted to have a balanced budget, it would have to be \$4.3 billion that you would have to find rather than \$3.3 billion.

Mr Phillips: I know you're very supportive of corporate taxes being 25% lower than our competitors. I also know in the government's documents on costs of doing business in Ontario they indicate that health care costs in Ontario are about \$2,500 per employee less than they would be in our neighbouring US competitive states. Assuming that we've decided here in Canada and Ontario that we'll fund health care in a different way than they would in the US—I realize you're supportive of corporate taxes being dramatically lower—do you have any advice for us on how we then find the kind of revenue we need to fund our health care?

Mr Drummond: You said the corporate income tax would be 25% lower than our competitor. It's not that much below. It would be 30.1 percentage points versus 35 in the United States.

Mr Phillips: Thirty-nine, isn't it?

Mr Drummond: OK, if you're adding in the average; I see where you would get that.

Mr Phillips: But don't you have to do that?

Mr Drummond: You also have to then work into those corporate income tax rates the capital tax equivalents. In Canada, the equivalent of Ontario's capital tax is about—if you paid the same amount of money in corporate income tax as you did in the capital tax, it would add about four percentage points to the corporate income tax, whereas in the United States they pay the equivalent of about one percentage point, so that narrows the gap too. There's the equivalent of about a three-percentage-point disadvantage. Again, that would be for a large corporation, because that's who pays the capital tax. So that would mitigate the advantage somewhat.

I guess I would approach the health dilemma somewhat differently. I wouldn't in the first instance be looking at the revenue source to fund increases of health expenditures 5% every year. I just don't think we can afford to sustain 5% budget increases in that, not only just the cost of that, but what is equally troubling with me is the percentage of health care out of total spending. It's eating into everything else the province could do. It's up to 46% of the total program spending right now. If you look at health and education together, that's two thirds of the budget.

I think there are things that government needs to do above and beyond that, and I think that if that were to continue, it would either make you as a province totally uncompetitive on the tax side or literally make you able to do nothing else but provide those two basic services.

So to me—and it's not easy—I think the starting point is to see what can be done to bring down the 5% growth.

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Mr Phillips: Even then you have to assume that US manufacturers would continue to pay something like \$2,500 per employee more than Ontario. That money doesn't come out of thin air. Historically that has been as a result of us deciding we'll fund health care out of tax revenues.

Mr Drummond: If you're looking for a revenue source—the other thing you mentioned, and I set up the trap of course because I only compared our corporate income taxes vis-à-vis the United States. But as far as corporations are concerned, the United States is not the only name in the game. The United States is going to end up with the highest corporate income tax regime of all the major developed countries. The average rates in Europe are around 30%; in other words, the same as Ontario's will be at 8%. In fact, if you look at where the foreign direct investment is going outside of Canada, do you know where it's going? It's going to the Caribbean; it's going to Ireland. This is not because of direct investment operations in those; this is for tax purposes. So the United States is not the only guideline, and at some point the United States will have to bring down their corporate income tax rates as well.

If you were going to look for additional sources of revenue, I think we can fairly easily prioritize them. The last I would look for would be personal and corporate income taxes. You don't want to increase any tax burdens on things that are highly mobile and where

you're really damaging the incentive to work, save and invest.

Again, I set that trap, because I just compared the personal and corporate income tax side. Of course, the United States has quite a bit higher payroll taxes than we do in Canada. That is a more neutral tax, and it doesn't impinge on people's incentive to work, save and invest to the same degree as personal income tax. Of course, it doesn't double-tax, and in some cases in Canada triple-tax, people's savings. So I would say that would be a better base to look at to fund programs, if that were needed, and I would say the sales taxes and various excise taxes would also be much better choices than going back to the personal and the corporate income tax.

Mr Phillips: Just help me out here. If—

The Vice-Chair: We have to move on to Mr Christopherson.

Mr David Christopherson (Hamilton West): I apologize for missing the early part of your presentation, but on page 6 you talk about Spending Cuts: Math 101. I assume, and please correct me if I'm wrong, that you are advocating a balanced budget as a priority for the finance minister?

Mr Drummond: I would be hesitant to advocate that, because I think it's almost out of the physical set of possibility. I would love for somebody to show me how you do it, but I don't know what point there is for me to recommend something that I don't see how you do, and I've asked many times how they'd do it. I presume they have some options, but aside from some very large proceeds from privatization, I just don't see how that's possible.

Now, I'd be the first to say that \$4.4 billion could easily be \$3 billion; it could even be \$2 billion. There's a wide range of uncertainty, so ex post I could see it. But I just don't know how you sit here today with one month to go before the fiscal year and knock out \$4.4 billion, short of raising taxes big time, and I don't mean the types of increases BC did on the sales and excise taxes. It's easy for me to sit there; I don't have to do that. But if it were me, I would be conditioning that there's going to be some deficit of some extent in 2002, and my focus would be on making sure that once that door is open it gets slammed back shut. I would be looking as much in 2003 and 2004 than I was in 2002.

What I did on the bottom of page 6 is math; this is not policy. I don't think you can freeze health care with one month's notice. I don't think you can freeze education with one month's notice, with the double cohort one year away. And I don't think that in one year you can get 11% out of the rest of the budget, because when you shut down functions—and there may be lots of things that should be shut down—you end up incurring severance charges and early retirements in the first year and you don't end up saving a lot. So in my mind, most of these things are for consideration beyond 2002.

Mr Christopherson: I don't think you're taking into account what a wizard of a finance minister we have. This is a fellow who can make homelessness go away just by passing a law saying that he no longer accepts it.

I'm really pleased to hear you say that, because it's quite worrisome when you think about the fact that it was just last week the finance minister trotted in here and said he was going to have a balanced budget, that that was an absolute priority and that his tax cuts were going to remain in place. So I'll give Minister Stockwell a lot of credit for at least being totally straight and honest with the public during the leadership debates, because he's made that very case, the one that many of us have said and that I think you've articulated here today: the numbers just don't add up if you try to do all that in one fell swoop. It remains to be seen just how the minister is going to do that.

When I look at what it would take—and I realize that what you're doing is providing a template of how you'd go about it. After what we've heard so far, the notion of freezing health care, even from this moment forward, is terrifying when we take a look at the deficits that exist in hospitals right now, the deficits that exist in the boards of education. This minister keeps saying he's eliminating deficits and providing a balanced budget, but that's not true. There are deficits; it's just that he's shifted them. Instead of it being his deficit—a legitimate, upfront acknowledgement that we're in a tough economic time—he wants to play games and say that everything is fine at the provincial level. Meanwhile, he's just pushing it down to hospitals, pushing it down to boards of education.

We've heard parents, teachers and community activists come in and talk about the absolute need for children's mental health services. There are little children who are hurting because they don't have the services, and we've got a minister who is telling us he's going to make sure the priority is a balanced budget. When did children stop being the top priority in this province and the bottom line become more important?

You note about cutting 11%; again, that's just one of those throwaway lines. But for those of us who have dealt with the provincial budget, once you remove health care and education, if you take a look at 11% of what's left, how many more Walkertons is Finance Minister Flaherty prepared to accept in the province of Ontario so he can have a bloody balanced budget?

I don't mean to yell at you. It's so infuriating. When we think about the people who have come in here making representations, and then the minister just comes in with his whole entourage and says he's the only one who really cares about the future of this province, it's frustrating. It makes one angry. Somebody needs to speak out on behalf of those families and communities that are being hurt, because the finance minister is not doing it.

Just to change gears, you talk about a milder recovery. I'm wondering, in your opinion, how much the fact that Germany is now in a formal recession, Japan is into their third recession in a decade, Britain's economy is super-soft, Argentina still hasn't sparked the nightmare scenario some thought might happen but that's not resolved yet and the whole Latin economy is really soft and it could still be triggered—with all that, what are the

positives you see that even give us a mild recovery, and what is the potential and the risk we have for another major downturn as a result of some of these scenarios I've painted?

Mr Drummond: First of all, vis-à-vis the international environment, there's no doubt that that is very soft. But there's a good and a bad here. We're so intricately linked to the US economy, and of course that was a wonderful thing in the late 1990s, particularly for the automobile sector and for the rest of the manufacturers in Ontario. But of course that's what softened our economy so much in 2000 and 2001. Only 6% of our exports actually go outside of the United States. Weakness beyond the United States is obviously going to weaken the US recovery, but I don't think enough to hold them back from recovering to 3% to 3.5% growth rates. And when they do, then I think it'll lift the Ontario and the Canadian economies along with it. But it's certainly going to be one of the important features that's going to prevent us from seeing the 5%, 6% and 7% growth rates we've typically seen in recoveries.

You've said, "What will lead it?" I would say number one would be monetary policy. We've seen a totally different monetary policy in Canada and the United States during this cycle than we've ever seen before. Interest rates never got very high before the economies weakened. It certainly wasn't interest rate tightening that caused the weakness. Some quibble that maybe the Bank of Canada wasn't quite as aggressive in easing when they started, but once they started, they brought them down. If you look in after-inflation terms, interest rates are negative, and I don't think they'll be going up any time soon. I don't think interest rates will go up until toward the end of this year. Of course, we've seen the result of that. Anything that's interest-rate sensitive—consumer durables and housing—has been doing very well through this cycle. But there's a good and a bad to that, too. The good is that it kept the economy afloat while the business sector was retrenching, but the bad side is that surely by now anybody who was contemplating buying a car or a refrigerator has bought it. So that spending may get sustained, but it's not going to have a cyclical snap-back the way we've typically seen in the past, which to me is not going to preclude us returning to 3% growth rates in Ontario, but it is going to make it very difficult getting anything above that.

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Finally, the thing that will help round out the picture is that I think we're within six months of business investment stopping going down. I don't think it's going to come back roaring, but I think once they get the higher-capacity utilization rates—the one thing is that if you had to have an over-investment in anything, it's best to have it in high-tech information and communications technology, because the technology changes so rapidly that if you're out of the market for about two years you're about a generation behind in technology. So even if you've got excess capacity, at some point you've got to come back in. I think we'll start to see that by the end of the year,

and that will hugely benefit Ontario because Ontario's a major producer of those sectors.

Mr Christopherson: You mentioned a couple of times, and others have too, the importance of the auto sector. One of the distinct advantages we have, of course, is a \$6-an-hour advantage because of our public health system. Just projecting out, there's certainly a drive by many to privatize more and more of our health care system. I won't embroil you in that political discussion, but from an economic point of view, in terms of our competitiveness and our ability to continue to attract investment, particularly in the auto and steel industries, how important is that \$6-an-hour advantage we have because our health care system is a public service rather than something each company has to pay premiums for per employee?

Mr Drummond: Sure, it's hugely important. The numbers are somewhat dated, but the most recent numbers I've seen are that the private sector part of a single car production in the United States costs the car companies about \$450, and it costs about \$100 in Canada. So it's an advantage of several hundred dollars. I'm sure the purpose of my being here is not health care, but I would distinguish between—when you say a private sector of health care, it's the single public payor that keeps the cost down in Canada relative to the United States. I don't think that necessarily precludes private sector administration within that single public payor. I think there are things you can do in Canada that can involve the private sector, but I think we should keep intact our single public payor.

Mr Christopherson: How's my time?

The Vice-Chair: Two more minutes.

Mr Christopherson: Thank you. One of the difficulties I have—and we'll talk about the economics, then, of health care rather than the politics of it. At the end of the day everybody's going to have to pay, whether you pay through your taxes—and hopefully we have a relatively progressive tax system so that the more you're able to, the more tax you pay—or pay it through premiums, which have no regard whatsoever for how much money you make. At the end of the day, it has always seemed to me that the advantage for my constituents in Hamilton is to have a publicly funded system, because my constituents are going to pay no matter what. Just because you remove it from Flaherty's bottom line doesn't change the fact that the health care system, as we want it, still has to be paid for. And if everybody's in—as you've pointed out, everybody who earns an income is paying through their taxes; it's a way of sharing that cost as opposed to starting to eliminate some folks. Anyway, my whole point is, is it not a fact that at the end of the day the average family, the average person, is going to pay for their health care system whether it's publicly funded or privately funded, and at least keeping it in the public system, we're not adding a profit line to the costs?

Mr Drummond: I don't necessarily agree with that in terms of the private sector administration within that public sector. British Columbia in many respects is an

interesting example for Ontario. It's kind of interesting, because people don't view it that way. Their view is that they had these phenomenal deficits that sprung up, but in fact the deficit they were worrying with was \$4.4 billion, the same as the one I'm projecting here. Mind you, Ontario's revenue base is somewhat higher. But, for example, one of the things they're doing—in their hospitals, the hospital sector provided the laundry service and the meal service. It was all publicly done out of the hospital administration. It was on average 25% more expensive than done in the rest of Canada, which was all private sector administration. One of their cost savings is doing that. I don't view that as a threat to the public medicare system. Those are the types of things.

What worries me—and I commented on the same thing with Mr Phillips—is that you're going too quickly to try and fund the increases in health care. I don't think, as a society, however you fund it and whatever revenue source you can do, you can fund 5% growth every year. And let's keep in mind that we're in a decade of the most benign demographics we're ever going to have. We keep talking about our aging society. It's not happening right now. This is the slowest rate of growth that we're going to have. In fact, it's slower than it was before of the 65-plus, because the people turning 65 right now were from the 1930s and we had a low birth rate and we had low immigration. So this is benign demographics, and in benign demographics we cannot have 5%—

Mr Christopherson: But if we as a nation decide that's a priority, then we can make it happen.

Mr Drummond: If you want to pay for it.

The Vice-Chair: We'll move on. Mr O'Toole?

Mr John O'Toole (Durham): Thank you, Mr Drummond. I always listen with interest when you speak. I have to comment that most of what you're saying this morning you said last Monday morning in the Financial Post, to the letter. I think your report was written a week or two ago, which is good and useful information.

I just want to mention a couple of things before I actually have a couple of questions. You said something quite interesting, that it's actually negative interest in that inflation is exceeding the interest rate right now. That's interesting too, because that's a fundamental in economics, that the interest should always exceed inflation, otherwise you should be in debt, basically.

There is a competitive environment in this whole argument. It's between us and the world, and us and the rest of North America—Mexico—let alone Kyoto and all those other longer-range policy implications of where Canada positions itself competitively.

My first point is fundamental. Our position has always been that it's the chicken and egg. We've said that fundamentally you've got to have the strong competitive economy to have the strong quality of life. The premise we've operated on is that by being tax-competitive and encouraging investment in capital and other job creation mechanisms and through other tax policies, you create more disposable income or discretionary disposable income for Canadians, and Ontarians specifically. I think the formula to date has been successful. September 11

and other events, of course, have led to some significant changes in all of that.

There's one other thing I want to establish, and maybe you could respond. We use, or I assume, a number that each percentage of change in the GDP of Ontario represents between \$500 million and \$600 million. That's an assumption. If you look at your numbers and GDP growth in Ontario, that becomes an important number of just where we are, whether it's \$2 billion or \$3 billion short this particular current year, outside of the pressures of health care. Maybe you could respond to that.

My second question would be on auto production. It's the contrary of what you said, not that I would ever presume to disagree with you. But on auto, for instance, there's fairly aggressive interest in competition about who's able to provide the best-quality product at the best price, with all the discounting going on. But there are aggressive sales numbers, the largest numbers in history in Ontario, which is mainly the heartland of auto production and very important to our economy. That case was made last week, not just by Buzz Hargrove but the manufacturers' association as well. So I'm kind of in contradiction, because that's a driver. There are many multipliers in that whole economy.

The other one is the unknown, I guess, at this point, of the whole energy sector. As we read in the paper this weekend, there's some hesitancy that this is the right time to be selling assets when there are some unknowns in the marketplace, that maybe a glut of production could be waiting, which could lower price, which would lower the value of OPG.

In a general sense, going back to the original premise—Mr Spina wanted to say something. The whole thing is, how much faith do you put in the strong economy for the strong quality of life? That's kind of the starting point to let you respond. Is that the wrong premise, or is there something else we could do?

Mr Drummond: No, absolutely. Quality of life means many different things, and I'm sure it means different things to different people, but there's no way you can have it without having a strong economy. I would also say the strong economy is a necessary but obviously not a sufficient condition. But the things you need to round out what the economy itself would produce obviously require the funds. You can't—if you ever did, you can't any more—fund that through high tax levels. I would agree that establishing a competitive tax system is very positive. As I noted, you are doing that on the corporate income tax, with the caveat of the capital tax. I would not describe Ontario as having a low personal income tax burden. In fact, I wouldn't even describe it as being a competitive tax burden. I think it's still quite high. You have nobody, in a sense, paying less than 46.4% as the top marginal rate, and you've got many people in very sensitive income levels paying way higher than that. I think more needs to be done on that, although I obviously wouldn't expect you to be able to address that in a major way in a budget right now, given the overall deficit pressures.

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On the cars, you've got to be careful when you hear somebody admit they were wrong. I thought the car sales would slacken off more in January and February than they did and I've been surprised how well they've held up. But I think you can predict fairly accurately what the long-run trend sales on cars are, and we're running way above that, not just in Canada, because remember that Canadian consumption is peanuts compared to the importance to the Ontario market of the United States. They have the youngest stock of cars ever, in terms of age or the number of miles on their cars. I just don't think that can continue forever. I don't think it's going to collapse, by any means, but I just don't think we can continue to get that boost to the Ontario economy, and we'd notice at this cycle.

This is the first cycle where Canada has had a disproportionately large reduction in production cuts relative to the United States and Mexico. With the last cycle we went through, Mexico basically wasn't a factor on the production side; it is right now. Whether they've had good planning or good fortune, they've also had some of the models that have been doing quite well. The quality problems that plagued Mexico when parts companies first went in there 10 to 15 years ago are not there any more. So that's a concern as well. But I admit, to me, it comes back to the same thing. That's why I applaud the government for taking what at the time was a bold move on the corporate income tax side, because it's not just the United States that we're going to be competing with.

Amazingly enough, it has taken this many years—we've had cars for almost 100 years—and they are finally going to common platforms for cars around the world. It's the same car in Europe. But the flip side of that means that there's no built-in hostage market, that parts for cars they are producing in Europe right now can be sourced from anywhere in the world, so Ontario doesn't have anything given to it any more; it's going to have to be competitive in all that production.

Mr O'Toole: I think Mr Spina has a question.

Mr Joseph Spina (Brampton Centre): Thank you, Mr Drummond. I want to go back to what you were just talking about, about how surprising you found automobile sales to be sustainable. I'm trying to tie that in. On page 3 you've got a substantial reduction in a number of sectors in employment change. In fact, manufacturing has dropped 68%.

Mr Drummond: Sixty-eight thousand. This is all in thousands of jobs.

Mr Spina: Right, sorry, 68,000 jobs. What I'm puzzled about is, isn't there usually a more direct relationship between the reduction in the number of manufacturing and other area jobs, transportation and so forth, and the actual jobs in the housing and automotive industries, which are, more or less, the two drivers of our provincial economy? Isn't there usually a more direct relationship between those two? Yet this seems to be almost a dichotomy.

Mr Drummond: There are two missing pieces that I have to add under that chart, the first being interest rates. That's what has kept construction going, and to a large degree, that's what has kept retail trade going as well. Although consumer debt in the United States is at a record high—Canada is not at a record high but the consumer debt levels are very high—the costs of funding that debt are very low because the interest rates are very low, and of course that has helped the housing market. It's a bit of a paradox in the first instance. How can you have such a big loss of employment in the manufacturing of automobiles at the same time you've got record sales?

Of course, the other factor I have to bring in is inventories. When this all started, the car companies had about 65 days' worth of supply of cars sitting around on their lots. They've got about 30 days right now. That's how the equation filled up. They didn't have to produce. In fact, all through the fourth quarter, when those car sales were booming, production numbers were coming down. They were selling those out of inventories.

The good news is that their inventories are very low right now, so if you thought the car sales were going to continue to hold up, then those car companies are going to ramp up their production very soon. You saw, about a week ago, that General Motors did substantially increase their forecast of car sales over the rest of the year. But even that, with a more upbeat forecast, was still down from the level they had at the end of 2001 and the beginning of 2002. So we might see the production plans firm, but I don't think we're going to be seeing large-scale increases in production, on average. Obviously, as certain models start up in plants, we'll see some plant activity go up, but on average, I think we can probably see, at best, the production stabilizing on the automobile side.

Mr Spina: One of the bars you show is public administration, 32,000. What jobs fit into that category generally?

Mr Drummond: This would be public administration writ large. It would be the Ontario government, the federal government, all the other provinces, but it also includes the health care sector and the education sector. The big growth in both the output from the public administration and in jobs has been the health care system.

We are seeing what I suspect is going to be a three-pronged cycle. For 15 years, until 1993, health care increased every single year, double digits in Ontario. Then it was flatlined for a couple of years—

Mr Spina: Under the NDP government? OK. I just wanted to be clear on that.

Mr Drummond: Then in virtually every single province in the last couple of years, you pick the province, health care spending will be 5%, 6%, 7% or 8%. Virtually no one has been able to hold it under 5%, and what you're seeing here is the tail end of that. But I suspect what you're going to see is the next cycle, because all provinces are facing status quo deficits. There are no exceptions, even Alberta. I suspect you're going to see pressure to bring that down again. Whether it's flatlined or not is another thing. I don't think that will

happen, but I think that this growth you've seen in the public administration here is the last of that economic cycle.

In some respects it worked out quite fortuitously for the economy, because while the private sector was doing very poorly, the government sector was filling in with some of that job creation for a while.

Mr Spina: I have a simple question that may leave time enough for my colleague to ask another one. An alternative budget created by the United Steelworkers last year had a statement that said, "The Harris government's tax cuts are the sole reason why Ontario is facing a revenue crisis." That's a direct quote out of their alternative budget. I go to your page 5 and I look at the government's fiscal position statement. You've clearly talked about the revenue side, and we can see the jumps from 1998-99 to 1999-2000, which were substantial, and then the projected reduction in revenue. But on the expenditure side, from 1998-99 to 1999-2000, you've got a \$4-billion increase in expenditure. Then it's flatlined for a couple of years and then another \$2 billion this past year. So which is it? Where is the crisis coming from? Is it from the tax cuts or is it from expenditures that have gone up?

Mr Drummond: I would say probably neither. It's from the weakness in the economy and hence the weakness in the tax base. Part of that is obviously from the cuts in the tax rates, but I think that's a fairly small part of it. Not only has the real output in the economy in 2001 only gone up 1% but there has been virtually no inflation in any of the tax bases. Of course that's kept the revenues down, and as you can see from my forecast on 2002, I expect a 2.3% decline in revenues. Very little of that 2.3% is because of the tax cuts. In fact, the only ongoing tax cut now left in the system is the corporate income tax cuts and that's staggered in over a number of years. None of the rate cuts is very large in any particular year, so I would say that the number one reason would be the cyclical weakness in the economy.

Mr Spina: Would those corporate rates be enough to stimulate jobs in the short term?

Mr Drummond: I think the unfortunate answer on the corporate income tax side is that it takes a while. It has a longer-run impact. I don't mean to say that to denigrate the importance of it at all, but I don't think that's something that changes behaviour and hence brings in a lot of additional revenues in any particular year; certainly one or two years out. And remember, you're not down to the 8% rate until 2005, and neither is the federal rate down to its low level.

The Vice-Chair: Thank you very much, Mr Drummond, for coming forward. We appreciate your presentation and your spending an hour with us.

ONTARIO ALTERNATIVE BUDGET WORKING GROUP

The Vice-Chair: The next delegation is the United Steelworkers of America, Hugh Mackenzie. A full hour has been set aside for you, beginning with your presen-

tation, and following that whatever time is left over we'll divide equally among the three caucuses. As you start, please state your name for the record.

1100

Mr Hugh Mackenzie: Good morning and thank you for the invitation. My name is Hugh Mackenzie. I work for the United Steelworkers of America as research director, but I should clarify that the hat I'm wearing here is my own as an economist and as the co-chair of the Ontario Alternative Budget Working Group. I hope that doesn't mean that the organization I work for disagrees with what I'm going to say, but what it does mean is that they haven't seen it.

I've handed out a written presentation. I'm not going to read through it. What I would like to do is talk through it and leave as much time for questions as possible.

Essentially my basic point today is that much of what has been said in the set-up for the budget this year has a lot more to do with the articles of faith of the Conservative Party and the way those interplay with the leadership campaign that's underway than anything you can see in the numbers underlying the economy. I want to focus on three specific things that I think deserve some discussion. One of these is the sometimes hysterical conversations that are taking place about the impact of increasing health care costs on the budgetary situation, the use of words like "unsustainable," with the purpose of pointing toward, in some cases, some rather draconian suggestions about what we need to do with our health care system in Canada. The second thing I want to talk about is the forecast for the budget for this year, because of course this year isn't finished yet, and next year. Specifically, I want to raise some questions about the \$5-billion number that has been mooted about by various people in the government as the definition of the "problem" that Ontario faces in the next year. Finally, I want to spend a few minutes talking about the role of the government's tax-cut policies in Ontario's economic development.

Let me start briefly with some admittedly 10,000-foot-level but I think relevant numbers about health care spending in Ontario. We've heard a lot of suggestions that there's a crisis in health care funding, that health care costs are running out of control and that, in response to that out-of-control escalation in costs, previously unacceptable suggestions have to be taken seriously: two-tier medicine, user charges, reintroduction of OHIP premiums, the list goes on.

The number I want to cite is the relationship between health care spending and gross provincial product. The reason I pick that as the relevant number is because most of the other numbers people cite, whether they're talking about health care spending as a share of provincial budgets, for example, which is something that is often cited, or whether they're talking about year-to-year escalation, miss the basic point that the most important consideration for us is how these costs compare with our society's ability collectively to pay for them. In other words, how does the escalation in health care costs

compare with the growth in the resources we have in Ontario to provide for those costs, regardless of how they're provided for?

A remarkable thing emerges when you look at those numbers, which is that there has been a remarkable stability in the proportion of GDP that's devoted to health care over the 1990s. According to data from the Canadian Institute for Health Information, public sector health care costs were at 6.1% of GDP in 1990. They cycled during the recession of the early 1990s, got as high as 6.8% when the economy slowed down, got as low as 5.8% and ended up at 6.1% of GDP in the year 2000, which strikes me as hardly an indicator of an out-of-control stress on the system.

Total health care costs did increase over the 1990s, from 8.4% of GDP in 1990; increased very quickly right at the beginning of the 1990s to about 9.6% and then by the end of the decade had dropped down to about 8.9%, an increase over the number at the beginning of the 1990s entirely attributable to privately funded health care costs as opposed to publicly funded health care costs, which again is a reflection of a number of factors that are well known about the health care system: the failure of the system to keep up with demands for eldercare; the fact that the system does not, by and large, cover drug costs, which have become an increasing expenditure. But even if you look at the total cost numbers, regardless of how they're funded, in my submission, it would be difficult to describe the change that has taken place over the 1990s as evidence of the system being completely out of control, unmanageable and poised to become an unbearable burden on government or on our society.

In concluding this, I want to make a point that perhaps should be obvious but I think bears repeating: that a lot of the discussion about escalating health care costs is focusing on public sector health care costs, not on total health care costs. The suggestion seems to be that we're actually doing something about health care costs when we cut back on public funding, and that's in fact not true. What you're doing is, you're shifting who's paying for it from the public sector, where the costs are shared broadly among all taxpayers, to the private sector.

When you shift costs to the private sector or to private payors, if I can put it that way, one of two things happens: either the expenditures end up being covered by insurance, which, when you compare multi-payor health insurance plans and the public plan, increases the inefficiency of the system, because the multi-payor plans expend a much higher proportion of their total costs on administration than the public system does—the public system is an extremely efficient payor of insurance; when you shift to the private sector, you inevitably produce a less efficient system—or, alternatively, the costs end up being borne by individuals; the services end up being distributed not on the basis of need but on the basis of ability to pay, and you run into problems with access, which has been one of the significant concerns.

The two points I would make with respect to health care costs are that, first of all, you can't find in the

numbers a rampant, uncontrolled escalation in the burden of health care costs on the economy and, secondly, if we focus only on public sector health care costs, we may be doing something about the government's balance sheet, but we're certainly not doing anything either about overall health care costs or about the fundamental question that Canadians have been concerned about for the history of medicare, which is people's access to the health care system.

1110

Let me move on to the second point I wanted to make, and that has to do with the budget deficit projections that have been moved about. Everybody in this room knows that a couple of months ago, it appears to have been that the Chair of Management Board began talking about Ontario facing a potential \$5-billion deficit in spending in the fiscal year coming up in 2002-03. I read carefully some of the submissions that were made by finance officials last week and I was extremely interested in the fact that, according to the third quarter of Ontario Finances, we've had another miracle of the loaves and fishes, and the budget deficit post-September 11, in the wake of an unpredicted quarter of negative growth in the third quarter, in the wake of all those changes, miracle of miracles, we have exactly the same projected deficit, after all that, as we did at budget time.

I went through this little analytical exercise, asking myself the question, "Is it possible for both of these things to be true, or, in fact, is either of them true?" It struck me as a little odd that we could have this wonderful, steady-as-you-go, everything's-just-fine set of projections for 2001-02 and then, immediately after that, fall off a cliff and face a \$5-billion problem.

So what I did was I looked into basically two questions. I asked myself the question, what's the likely outcome of Ontario's budget balance for 2002-03, given the growth forecast that the deputy minister and the minister tabled last week at this committee and given their forecast of a \$140-million surplus in 2001-02? When I take those two sets of facts, which appears to be the set of facts that the government is using in its financial planning—for those of you who are numbers freaks, I'm looking at table 1 on page 6 of my handout. The first scenario outlined there is basically the one that takes all of the various numbers that were tabled last week as givens and looks at what the implications would be. Buried in that is the assumption that program spending will increase at the rate of inflation.

When you do that, and you assume that the government is going to proceed with the corporate tax cuts that have been announced but have not yet been implemented for this year, we're looking at a deficit of just over \$600 million. I've estimated that the announced but not yet effective cuts in corporate taxes amount to about \$1.2 billion for this year. It would have been a bit more, but with some of them having been moved forward into 2001-02, that number has actually gone down in the last six months. If you take those out of the picture, you're looking at a \$600-million surplus.

The conclusion from that analysis is that if you're looking for logical consistency here, you're not going to find it. The economic projections that the government is making and its comfortable \$140-million surplus estimate for 2001-02 don't add up. Those assumptions, and the base from which we're operating, do not add up to a problem anything like \$5 billion.

So then I took the analysis one step forward and said, "OK, what would it look like if you took an absolute worst case?" That basically consisted of three different pieces. One was that I did a re-estimate of revenues for this year, doing what I think is a more realistic job of taking into account the impact of the slowdown in the economy that wasn't predicted at budget time. What I essentially did there was I took the main components of the tax system, looked at the economic assumptions the government made at the time of the budget, and adjusted those for the changes to reflect the general view of the economy now. That was the first thing.

The second thing I did was that, instead of taking the consensus average of economic growth forecasts for the next couple of years that the government appears to be basing its planning on, I took the low end of those. I noticed with interest, and I'm sure Jeff Rubin is hurt, that CIBC World Markets isn't included in the list of forecasters whose forecasts are averaged to produce the consensus that the government's working from. But I took Jeff Rubin's numbers, which tend to be at the low end for 2001-02, and I think the Bank of Nova Scotia's were at the low end for 2003. So I just sort of constructed a worst case.

The third thing I did was that I assumed that spending was going to increase more rapidly than the rate of inflation. Specifically, I assumed that health spending was going to go up by 5% and that everything else was going to go up by 3%.

When you do all of those things, what you end up with is a forecast deficit for 2001-02 of \$832 million and a forecast deficit for 2002-03 of \$2.7 billion. That, in my view, is pushing the limits of pessimism in constructing a forecast for next year. In other words, I played the game by trying to get as close as I possibly could to the \$5 billion, and \$2.7 billion is as good as I could get, taking the most pessimistic assumptions that are out there about Ontario's economy in 2002 and the early part of 2003.

I would note that the 2001-02 deficit number ought not to generate a huge amount of panic, because it's still within the two contingency numbers that are still carried in the books. The third-quarter Ontario Finances still carries \$450 million as a contingency on the bottom line and a further, I think, just a little over \$500 million that's carried within the Management Board budget. So nothing horrific has to happen for Ontario to be able to land on the dime—no pun intended—for 2001-02.

The interesting issue is 2002-03. With respect to 2002-03, I'll make a couple of points. One is that, of the \$2.7 billion, about half of it is self-inflicted. About half of it results from the assumption in this analysis that the government will say, "Don't confuse me with facts about

what's going on in the economy and what it's doing to the budget. Let's proceed with the corporate tax cuts." That drills a big hole in the budget. The other half, although it's a big number—it's about \$1.3 billion—is still within the range of the total contingencies that the government provides for. The government has historically provided for a contingency of about \$800 million within the Management Board budget and exactly \$1 billion as a bottom-line contingency.

1120

While there is a significant budget stress heading our way on this most pessimistic of scenarios, it's certainly not \$5 billion and in my respectful submission I don't think it's cause for the kind of blind panic that's running around. I think the kind of blind panic that's running around has a lot more to do with who's supporting whom in the Conservative leadership and how they feel they can use that set of numbers in the debate over the leadership.

The final point I want to make has to do with the role of tax cuts in Ontario's economic success. The magical powers of personal income and corporate tax cuts that have been cited by the government repeatedly since it was elected in 1995 have been quite controversial right from the beginning. I think it's fair to say that throughout the piece it has been impossible to find any forecaster who would attribute anything like the power to these tax cuts that the provincial government has. Most observers, and I count myself as one of them, would look toward broad-back or economic factors as being the primary drivers of Ontario's economic success. The three critical ones in my view have been the easing of interest rates, the drop in the value of the Canadian dollar and, most important, the extraordinary growth of the American economy, which has had a huge, positive impact on employment and economic activity in this province.

If you look at outside generators, things that are outside the economy that are providing stimulus, you can't avoid the fact that, on an average basis over the period since the government was elected in 1995, the increase in exports to the United States amounts to about 80% of the increase in our GDP. It's been a huge engine, and as is often the case with these things, sometimes you only notice how powerful the engine is when somebody slackens it down. It's absolutely clear that the turndown in Ontario's economy is directly related to events in the United States and the pace of the economy in the United States.

I've made the point of talking about the general consensus, if you want, among economic observers and how different that is from the political lines that have been put forward by the government about the impact of the tax cuts on the economy in part because among the many things that Mr Christie said last week that I found interesting was his series of slides in which he talks about the triggers for recovery for the Ontario economy. He listed three. One was interest rates and, as Mr Drummond indicated toward the end of his testimony, that's been a very important driver of things like automobile sales and activity in the housing sector. The second slide focused

on energy prices, and the third of the triggers for renewed economic growth that I identified was renewed growth in the US economy. I looked very hard and I couldn't find a slide for tax cuts in the presentation, and I think that speaks volumes about where the real drivers of where our economy is going are, and ought to give one pause as one contemplates inflicting on the province's budget a significant negative for what is in my view a relatively limited, if existent at all, benefit from proceeding with the tax cuts at this time.

I'll conclude just by making the observation that a great deal of what has been put in front of the public with respect to Ontario's budgetary situation over the past few months has had more to do with an event that concludes on March 23 than it has to do with the real fiscal situation that we face. As I've indicated in the projections I've done, that implies both a more positive than is justified view of 2001-02 and a substantially more negative than is justified view of 2002-03.

Having said that, I'm happy to take questions, and I note that we've got a little more time than usual. Thank you.

The Vice-Chair: Thank you very much, Mr Mackenzie. We'll start with the NDP. It's about 10 minutes per caucus.

Mr Christopherson: Thank you, Hugh, for your presentation. It's always enlightening, because many things that you touch on—even using the same set of assumptions often takes us to a different conclusion. If you listen to some people in this province, you'd think there was no opinion other than the one the government had as to credible economic policy.

I want to go back to your first area of discussion where you say public health care costs have increased, on average, in the last decade 6.1% of GDP.

Mr Mackenzie: Public sector health care costs have been relatively stable as a share of GDP at about 6.1%, yes.

Mr Christopherson: Right. Then you went on to talk about private health care costs and that they were much higher. I want you to expand on that a little bit, break that down for me.

Mr Mackenzie: If you look at the numbers, what you see is that there was a big jump from year to year in private health care costs as a percentage of GDP in the early 1990s. I haven't drilled into the numbers in enough detail to come to any clear conclusion about what that implies. I suspect it may be related in part to the extension of patent protection on drugs, which has started to push drug costs up more quickly in Canada than they were increasing before. I suspect it also reflects expenditure restraints that were brought in by the previous government in the early 1990s as the economy started to slide and those costs shifted to the private sector. I think those are probably the two critical explanations for it, because what's interesting, when you look at the numbers, is that private costs pop up in the early 1990s and then remain relatively stable for the rest of the decade.

Mr Christopherson: What would you attribute that to?

Mr Mackenzie: As I said, I think there are some external drivers to it. There has been a more rapid increase in drug costs, for example, which is a significant proportion of private sector health costs, and those costs increased pretty substantially in the early 1990s. The bump up right in 1991-92 is a little bit artificial because it in part reflects the fact that we had negative growth in the economy during that period, so it's a fraction. The denominator of the fraction has dropped, and that's going to produce the bump up.

What's interesting, though, is that unlike the public sector health care costs, which jumped up as a percentage of GDP when the economy started to slow down, then came back down, private sector health costs went to that higher percentage of GDP and then stayed there. I think that's in part the result of escalating drug costs and in part the cumulative effect over a number of years of constraints on public sector health care spending. It goes somewhere, and it goes into the private sector.

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Mr Christopherson: When Mr Drummond was talking about health care costs, he said that one of the benefits we can see to privatization of administration within health is the provision of food services. He used that as an example. I want you to touch on the economics of that, but one piece of economics that hasn't been talked about here—and I'd like you to factor that into your response—is that if there is a savings in the direct delivery of any services when something is privatized, the biggest initial change that I've been able to see is that they just pay less wages. So if you're going to pay people less money and give them less benefits, then it's easier to provide that service at a cheaper cost. But there's an impact to doing that, as we've already seen. I'd like you to comment on the implications of so many wages and the public sector side of things being held down, their implications into the private sector wages and what that does to the overall economy in terms of this accumulation of huge, vast amounts of wealth. People don't realize the accumulation of wealth in Canada compared to other nations.

So two things: one is the whole notion of introducing any kind of privatization, whether it's into the administration of services or the actual delivery of services, and what that means for us in terms of economic policy, public policy; and second, this whole drive toward privatization and what that's doing to wages, and the implications for our economy and, most importantly, the standard of living of Ontarians as wages are driven down in the public and in the private sectors.

Mr Mackenzie: Let me just make a couple of comments. First of all, in the organization that I work for, we deal with contracting out of services a lot. It's a very common kind of strategic response by corporations to cost pressures. The experience is that, at the end of the day, contracting out does not save a great deal of money. The savings are generally significantly overstated, and

end up leaking out into duplicated administrative costs and higher margins for the contracting organizations. So the "benefits" I think are significantly overstated when you're talking about contracting out.

The second point I would make, specifically with respect to health care, is that in many respects, when you're talking about contracting out things like food services, you're talking about horses that left the barn some time ago. A significant proportion of those kinds of services have already been contracted out by hospitals.

The third point I would make speaks to a broader, admittedly philosophical, question and argument. One of the things that always baffles me is that anybody would think it's good politics to run around the province declaring that Ontarians are paid too much. It's as if we have a government that's campaigning against ordinary people's living standards, which strikes me as completely and utterly bizarre. I would have thought that a government that was truly interested in improving ordinary people's living standards would be campaigning for policies that enabled us to increase people's living standards, not push them down. When, for example, the government talks about the "benefits" of restricting people's rights to join unions, the principal benefit to talk about is that wages in Ontario are too high. It just seems to be kind of a bizarre thing for somebody to be saying on behalf of its citizens.

The last point I wanted to make is really a much more general point about, not so much the privatization of specific services in specific institutions, but more looking at reducing the scope of the public sector health care system and expanding the scope of the privately funded health care system. There clearly are many issues raised by the single-payor system, one of the principal ones being that one has to be very careful when you have a single-payor system to ensure that there are incentives built into the system to innovate. The one thing that's absolutely clear is that there is less overhead in a single-payor system than there is in a multi-insurer system. This is not a complicated exercise. You can look at the stats that are produced regularly on the insurance industry in Ontario and they show the administrative costs in private health insurance, drug insurance, major medical insurance—those overhead costs are in the range of 10% to 20% of the benefits that are actually paid out. And that compares with around 3% as the administrative overhead for the single-payor system.

Quite apart from everything else, the single-payor system is more efficient. Therefore, other things being equal, it's going to be more costly for us as a society to shift these costs from the public single-payor system to the private multiple-payor system.

The Vice-Chair: We're really out of time.

Mr Christopherson: I'll just make a comment, then, two quick things: if ever there was an important debate to be had, I would like to see the government engage it on that point, because they'll always argue public costs more, private costs less. You have made an argument that the exact opposite is true in the case of health care, and if

ever there was a pivotal debate to be had, this would be a good day to have it. I would just urge anybody who's watching and wants to know more about a different way to look at the same set of numbers in the same province in terms of an economic future to take a look at the Ontario Alternative Budget. It's a breath of fresh air for everyone.

Mr Ernie Hardeman (Oxford): Thank you very much, Mr Mackenzie, for your presentation. I guess, just in response to Mr Christopherson, to those who are watching, if they want to look at an opposite way or a different way of preparing a budget and spending the people's money and providing service for the people, they may want to look from 1990 to 1995. There was the alternative view that they decided they could spend money they didn't have and they could burden our children with that. Of course, if we look at our budget, yours and the one that was passed last year provincially, you will start seeing that one of the major expenditures in that budget is to pay interest on the money that previous governments of all stripes spent that they didn't have.

Mr Mackenzie: Including the roughly \$20 billion in debt that this government accumulated to pay the interest on money that it had to borrow to fund tax cuts.

Mr Hardeman: Again, it's my turn to question you on your presentation.

Mr Mackenzie: Yes, right.

Mr Hardeman: I would point out that I am convinced that the tax cuts in fact created more financial ability for the province and helped those working people in Ontario who are now getting more take-home pay each week because we've reduced their taxes. They can then turn around and spend that money.

I was pleased with your presentation, Mr Mackenzie, where you—

Mr Mackenzie: Now I'm in trouble.

Mr Hardeman: —came to the conclusion that in fact we don't have a problem with finances and this money we've been told is going to be needed next year to balance the budget. Mr Drummond in the previous presentation told us that, in his opinion, we weren't going to be able to balance the budget in the coming year. Your presentation suggests that not only can we balance the budget but there doesn't seem to be a problem with expenditures—

Mr Mackenzie: If I may, I don't like to have my words mischaracterized. I think what I said was that in the worst-case scenario the budget could still be balanced if the government didn't proceed with the corporate tax cuts that are planned.

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Mr Hardeman: I just wanted to go to your worst-case scenario. That is presuming that the only expenditure increase you're looking at in government services is the 5% in health care.

Mr Mackenzie: No. In the worst-case scenario, I have 5% for health and 3% for everything else.

Mr Hardeman: OK. I just wanted to point out that of the presentations we've heard in the last four or five days

for this pre-budget consultation, everyone in every sector has been asking for considerably more than 3%. So I think we're going to have trouble meeting all the needs and still fitting within that one.

One I really wanted to touch on was the one about health care, and I think Mr Christopherson mentioned it. You suggested it was in the early 1990s that the spending for public health care stabilized or went down and for private health care went up. Then in the late 1990s, it went the other way.

Mr Mackenzie: No, that wasn't quite what I said. What I said was that public health care spending, broadly over the decade, has been stable at around 6.1% of GDP. There was an increase in the share of GDP going to privately funded health care in the early 1990s, and I think I speculated with Mr Christopherson that that might be partly due to increased drug costs, partly due to constraints on public health care spending which bled off into the private sector and partly it's just a numbers thing, that when the GDP goes down, as it did in the early 1990s, the fraction is going to change. But overall, if you look at the decade as a whole, what you see is relative stability in public sector health care costs as a share of GDP and an increase in private sector health care costs.

Mr Hardeman: In your analysis, is there any connection between health care spending needs and the GDP?

Mr Mackenzie: No. I'm not suggesting that there is any causal relationship, I'm simply saying that I take the GDP as a measure of our society's ability to generate resources and I see health care spending as what it is. If I were looking at these numbers and seeing the share of GDP going to public health care spending increasing by 50%, for example, over a decade or something like that, I'd say, "Whoa, we've got a huge problem here. This is running out of control." I don't see that. What I see is that public sector health care spending is relatively stable as a share of our GDP and therefore is relatively stable in relation to our society's ability to generate the resources to pay for it.

There are other measures that one might use. You can look at, for example, the share of the provincial budget that goes to health care, which I know is a favourite one of some people in the cabinet. I would just note that while that may be a reflection of the government's priorities, which can change from budget to budget and from government to government, I think the relevant measure of the impact of health care costs on our society is the relationship between those costs and the society's ability to generate the resources to pay for them.

Mr O'Toole: Just quickly, to follow up from that, I don't disagree. In fact, I'm sort of opposed to private health care. You and I both know that they've been delisting services and a lot of things for many years. In fact, many say that we spend \$80 billion on health care in Canada. That includes the private sector component as well in Canada. So it's huge and growing. It is a problem.

Some of the initiatives the government has taken are important, and I think you would probably support them.

I don't want to put words in your mouth, but community health or family health networks are the right kinds of things to do to make wise use and yet not restrict choice.

Mr Mackenzie: I don't want to take up your remaining time, but I agree with you on that. I think one of the things we have neglected in the single payor system is looking at innovations in delivery. I think those kinds of innovations are important.

Mr O'Toole: I commend you, and I would encourage you to bring forward solutions, because there are a whole bunch of silos out there. It's not just the doctors; the hospitals are the gateway. There's a lot of ownership there, territory. The nurse practitioner doesn't really get a fair role here. I think they provide a valuable service without adding a lot of cost.

You're tying it to actual spending. In that case, we've moved it \$6 billion. We've thrown in \$1 billion a year every year, if you want to do the numbers. A per cent of GDP: that's a very dangerous kind of threshold too because, whether it's all public spending, if it was tied directly to GDP there are arguments to be made that you should increase spending during economic downturns.

Really, it comes back to the fundamental argument of having the strong economy for the strong way of life. You can't argue with that. Without the proper investment tools and mechanisms to encourage investment, you can't sustain it. As much as I'm getting older—much older than you, by the way—I will need those services. I'm not trying to eliminate them.

Mr Mackenzie: I feel like I'm catching up with you, though. I have so much less hair than I did when I first appeared before this committee.

Mr O'Toole: Well, you're starting. If you tie it to GDP and the GDP goes down, what happens to health and education? Should we spend less? The problem with public sector things—which I value highly—is that they always go up. When the GM workers and the Steelworkers are on the street, they're still going, ratcheting up the—help me through this little barrier here.

Mr Mackenzie: OK. Let me say first of all that I'm not suggesting that we tie health care spending to the GDP. I'm simply looking at it over the long term.

Mr O'Toole: It's just always going up.

Mr Mackenzie: As a quick and dirty way of answering the question, are health care costs escalating at a rate that is going to cause a significantly increasing burden on our society as a whole? I think the answer so far is no.

In response to your broader point, one of the things everybody needs to think about is that the relationship between the ability to pay for public services and the quality of public services and economic growth is not a one-way street in either direction. I take your point that we're able to pay for high-quality public services to the extent that we have a strong economy.

I would also make the point, though, that in virtually every major area of public spending, high-quality public services make a contribution to our ability to grow, whether you're talking about the education system and the role that a well-trained and well-educated workforce

plays in our future economic development or, in the case of health care, both the immediate cost advantage to Canadian businesses of having collectively financed health care as opposed to privately insured health care, which is a huge competitive advantage for Canadian-traded industries, or whether you're talking about the longer-term benefits of simply having a less ill society.

Again, one other factor that is not often given consideration: simply the fact that Canadian workers have access to health care irrespective of their health care insurance, irrespective of their place of employment, has a huge effect on people's sense of personal security and people's economic mobility.

In the United States, where that's not the case, people talk about the pension trap. People stay in jobs because they are building up a pension entitlement and they don't want to lose it by quitting their job. In the United States, there's a huge health insurance trap where, if you've won the lottery and you've got one of the 30% of the jobs that carries health care insurance with it, you stick with it because the consequences of giving up that benefit are potentially so catastrophic.

I think we get enormous benefits from both the soft services and the hard services. I'm not saying that the economy is a kind of a bootstraps thing, where public services generate the economic activity; that would be stupid. On the other hand, I think there is a relationship in the other direction as well.

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The Vice-Chair: Thank you very much. We'll move on to the official opposition.

Mr Phillips: Thank you, Mr Mackenzie. You know this stuff pretty well from a long while of dealing with it.

Just a detail question first; the TD Bank highlighted this issue for me. One of the reasons that their deficit number is \$700 million lower than I would have thought is that they assume stranded debt in the electrical sector will go down by \$700 million and therefore the deficit will be \$700 million lower.

Mr Mackenzie: You mean the debt or the—

Mr Phillips: The deficit will be \$700 million lower.

Mr Mackenzie: Because they're going to get rid of about \$30 billion in stranded debt? We're talking about interest?

Mr Phillips: Yes. If you look at the government's medium-term fiscal outlook, it's lower by \$700 million because they assume that stranded debt will go down by \$700 million.

Mr Mackenzie: Yes, because they're going to sell off OPG and—

Mr Phillips: That, and probably put in place the surcharge on the stranded debt. So I could imagine that if the deficit went down \$1 billion, that—

Mr Mackenzie: But that's not a tax. The surcharge on the stranded debt is not a tax, right?

Mr Phillips: That wasn't even my question, but that's fine. My question really is—

Mr Mackenzie: I was being provocative.

Mr Phillips: It's not a tax. That, actually, is my point. It is a very unusual calculation, actually, and maybe only a very few people in the province care about it. But I can see now how you could have a balanced budget by simply having the surcharge large enough that you reduce the stranded debt by a couple of billion dollars and that would offset a \$2-billion deficit.

Mr Mackenzie: Yes.

Mr Phillips: You haven't put any of that calculation in your—

Mr Mackenzie: No. There are two things that I should say are reflected in there that I didn't highlight specifically. One is that I haven't made any assumptions about changes in the fiscal position as a result of electricity restructuring. I've just carried forward from the previous year. I take your point that by introducing this stranded debt recapture surcharge the government is, in effect, incorporating a portion of everybody's electricity bill into the provincial revenue system.

The other thing I should clarify is that the estimated \$400 million in overstatement of income tax revenue, reflected from this calculation error that the government of Canada discovered, is not reflected in the 2001-02 numbers; it is reflected in the 2002-2003 numbers. I'm making the assumption that Ontario will be able to hold off the federal government from doing anything about this for the rest of this fiscal year but will not be able to next year. I'm making no assumption about what they do about the money that's "owed" to the federal government. I'm simply looking at the ongoing cash thing. That's a very easy thing for the federal government to do, because Ontario depends on the federal government writing the cheques for the income tax revenue. So it will simply recalculate the amounts that it pays out and adjust the numbers accordingly.

Mr Phillips: By the way, any detail that you can provide the committee on how you arrived at your revenue estimates would be useful; just the sheet that you might prepare on how you calculate the revenue.

Mr Mackenzie: Sure.

Mr Phillips: There's no mention that I can recall in your presentation about jobs, but I'm interested in how you see the job front. I know the government, during the last election, said that this plan will create 165,000 new jobs each year. I see today, looking at the January unemployment numbers, that we're at 476,000 unemployed. I don't think it's been that high for three and a half years.

Mr Mackenzie: Right; I think since 1996.

Mr Phillips: Bank of Nova Scotia predicted job growth this year of under 10,000 jobs for 2002. I think the TD Bank economist said maybe 25,000 jobs. If you're up 25,000 jobs, my understanding is that with the labour force growing at maybe 90,000, you've got—

Mr Mackenzie: You've got an increase in unemployment, yes.

Mr Phillips: Do you have any comments for the committee on what you think is going to happen on job creation in 2002 and 2003?

Mr Mackenzie: I'm a bit of a pessimist. I'm notorious within my own organization for being a pessimist, and I should explain why.

I was interested in the discussion that was taking place in the committee when I walked in about car sales and automotive production. The problem with looking at sales figures is that they're not really very helpful as an indication of what's going to happen to employment in Ontario in the auto sector. At first blush, one's understanding of what's going to happen to employment in the auto sector, which is a key driver of the manufacturing sector, is actually a pretty mechanical process. We know what the Big Three's plans are for shifts. We know that they're going to close the truck plant in Oakville, not next year but the year after. We know that Chrysler is already down one shift in Brampton and I think they plan to go down either one or two more. We know that Sainte-Thérèse will be out as of next September, and I raise Sainte-Thérèse because so many of the parts that are put into cars at Sainte-Thérèse come from Ontario.

So you can actually get a pretty precise fix on what's going to happen to auto assembly by just looking at what the plans are of the companies. Then out of that, because of just-in-time production, there's this whole ripple effect that takes place through the parts sector. You can see, looking out at the horizon, a reasonably significant downward pressure on employment in manufacturing coming from the auto sector.

Then the question is, is there something else out there that you can see coming in and pushing that up? That's where I really scratch my head and have trouble seeing it. So I think that there's a very real possibility that the weak recovery that will begin to take place in the second and third quarter of this year, if people are correct, will be essentially jobless. I think we're looking at fairly substantially higher unemployment rates by the end of the year compared with today because of the structural factors that are built into those main drivers of the system.

The other factor that one has to take into account is that lower interest rates have two impacts on economic activity. They have an impact on decisions about whether or not to do things. They also have an impact on the timing of decisions. To the extent that people believe that interest rates aren't going to stay this low forever, they are likely, other things being equal, to accelerate their purchases. My fear and concern is that we're going to see that playing itself out in the next six to nine months in housing, auto, major appliances and those kinds of things as the first blush of real incentives getting people into the housing market, getting people into the new vehicle market. As those incentives work their way through the system, people have accelerated purchases.

I hadn't heard Mr Drummond's number about the average number of miles on the fleet among cars in the United States. Statistics get more and more arcane every day. But that's an interesting number because I think that's a reflection of this acceleration that's taking place in people's decisions. There will be a hangover from that

at some point, even if interest rates don't tick up. If they do tick up, I think we may see a significant hangover.

The Vice-Chair: Thank you very much for coming forward and presenting to us. We very much appreciate it.

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CO-OPERATIVE HOUSING FEDERATION OF CANADA—ONTARIO

The Vice-Chair: Our next delegation is the Co-Operative Housing Federation of Canada. Twenty minutes has been set aside for you as a delegation. What is not used in the presentation will be divided equally among the three caucuses. As you begin, please state your names for the record.

Mr Vince Hall: Thank you for the opportunity to make a pre-budget submission on behalf of the 125,000 women, men and children living in non-profit housing co-ops across Canada. My name is Vince Hall. I'm the president of the Ontario council of the Co-operative Housing Federation of Canada. With me today is Michael Shapcott, who is the manager of government relations and communications for our Ontario region office.

I live in the Stoneworth co-operative homes in Hamilton. Sixty-three families find our co-op a good place to call home. Mr Shapcott lives in the Harbourside co-operative homes in Toronto, which provide a good home to 55 families. Our two co-ops, along with the 550 other co-ops in every part of Ontario, come in different shapes and sizes, but there's one thing that makes them extraordinary: the members who live in the co-op own and manage their own homes.

Housing co-ops, like farm co-ops, credit unions and our other co-op partners, are based on the self-help principle. We work together to operate efficiently as small, community-based enterprises. We're very proud of our record of success over the last 30 years and we continue to be committed to welcoming new members into our homes, especially those who need affordable housing the most.

We take our responsibility to provide good-quality homes to low- and moderate-income people quite seriously. As one example, the Co-operative Housing Federation of Toronto has launched an initiative with the 185 co-ops in its region that places a priority on moving homeless families from temporary shelters into long-term, permanent housing in our co-ops.

Co-op members are working hard to take advantage of other opportunities for growth. Last October, Beechwood co-operative in Waterloo, a 74-unit housing co-operative developed under a provincial program in 1994, received the good news that its plans for an 18-unit expansion would be moving ahead, thanks to the hard work of co-op members and a \$15,000-per-unit grant from the regional municipality of Waterloo. We want to commend Waterloo region and other municipalities that have created practical programs to increase the supply of affordable housing.

Ontario co-ops have applied for many of the 5,000 new rent supplement units that the province announced in January 2000. As of last November, 22 months after the program was announced, the government had only approved about half of the units in the original pool. We regret that the paperwork is moving slowly in this small but important program.

When we consider all the provincial and municipal housing measures and the development initiatives by co-ops, the net effect is painfully small when compared to the huge shortfall in rental housing confronting the people of Ontario. In fact, since our last appearance on February 14, 2001, in front of this committee, the low-income housing crisis has grown more desperate in most parts of Ontario.

Rental housing is a critical component of the province's housing market. The percentage of Ontarians in rental housing is increasing. In 1986, renters were 34% of the overall population. By 1999, renters were up to 40%, and you will see the chart I reference on page 3. The renter population will continue to increase. The latest population projections from the Ontario Ministry of Finance, July 2000, show significant growth. Based on these numbers, the province will need 18,400 new rental units annually to keep pace, or 368,000 units to 2019. Again I refer you to the chart on page 3.

As the need for new rental housing continues to grow, the production of rental units is in fact falling. Private investment in new rental housing dropped dramatically in 1972. Where are we going to turn? You might turn to the chart on page 4 for reference.

About half of all tenant households in Ontario live in non-conventional rental housing. The secondary market represents a large percentage of local rental markets throughout the province. Conditions are sometimes poor, even substandard, in these illegal units. Fire safety and occupancy standards are not enforced.

The Ontario Ministry of Municipal Affairs and Housing and Canada Mortgage and Housing Corp hired the Starr Group to research the secondary rental market. The final report in April 2000 stated:

"The market analysis finds that most forms of secondary rental housing have not been growing in most communities. Condominium rentals, in particular, have been declining as more owner-occupants move into the condominium market.

"Because of the lack of expansion of these markets, vacancy rates for such forms of housing are quite low in most centres. Rents for most forms of secondary rental housing have been rising sharply in most areas, consistent with the low vacancy rates in both the secondary and conventional markets."

In other words, the secondary market is offering no relief from the crisis in the private rental and social housing sectors.

In recent years, Ontario's construction of private rental housing has been less than 2,000 units annually. The tiny amount of new starts has been eclipsed by the growing loss of housing due to demolition and conversion. There was a net loss of 631 rental units in Ontario in 2000, and

some communities with a net loss of rental units in 2001, including my own hometown of Hamilton, 503 units; Ottawa, 643 units; St Catharines-Niagara, 73 units, in addition to 122 units lost in the year 2000.

Sadly, the prospects of new private development remain low due to the heavy financial realities of rental construction and the low incomes of renter households.

The private withdrawal was not immediately felt, thanks to federal and provincial social housing programs, which funded the development of more than 150,000 co-op and non-profit housing units. These continue to provide quality affordable housing to close to half a million Ontarians. But the federal government cancelled new social housing in 1993 and the Ontario government stopped new funding in 1995, cancelling 17,000 co-op and non-profit units that were under development. I'll refer you to the chart on page 6.

The annual rental market reports from CMHC reveal a conventional rental market in deep crisis. A rental vacancy rate of 3% or less is a danger sign. The province's rental vacancy rate has been below 3% for more than 10 years—a full decade. Growing need set against dwindling supply explains why Ontario's rental housing vacancy rate has been stalled below 2% in recent years. Fifteen of the province's 21 urban centres are experiencing a vacancy crisis.

But even the official 2001 rental vacancy rate for Ontario at a painfully low 1.7% does not reveal the depths of the rental crisis. A comprehensive study submitted to Sault Ste Marie city council on January 28, 2002, identifies roughly 20 homeless people sleeping on the streets of that cold northern city and 112 people staying in homeless shelters. Even more troubling, the report says that nearly 20% of the entire population can be classed as hidden homeless. Counting the many hidden homeless across the province would create a negative vacancy rate for Ontario.

From 1995 to 1998, the Ontario government cut \$303.8 million from its housing spending, for more than one quarter of the entire provincial housing envelope. Ontario has moved from spending \$1.1 billion on housing in 1994 to practically zero in 2002. The government has said that it wants to rely on the private sector to deliver affordable rental housing but the private sector clearly hasn't and, as the numbers reveal, can't deliver, given the financial realities of development.

We have a couple of recommendations.

The Ontario government joined with every other province and territory in signing the affordable housing framework agreement with the federal government in Quebec City in November. Under this agreement, the federal government will flow \$245 million in new housing funding to Ontario over five years. The province agreed to provide matching funds. Co-ops congratulated the federal government and all the provinces and territories for the Quebec City agreement as an important first step toward a fully funded housing strategy.

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Negotiations between Ottawa and Queen's Park on a new housing deal are nearing completion. While the

federal government is committing \$245 million in new dollars, the Ontario government has only put \$20 million in new funding on the table, less than 10% of the federal contribution. The provincial government wants to claim existing spending by the Ministry of Health and the Ministry of Community and Social Services on special-needs housing and group homes as new spending. It also plans to include spending by municipalities and housing providers as part of the provincial share to reach the required provincial total of \$245 million. In the short term, co-op members urge the provincial government to shoulder its entire responsibility under the Quebec City agreement to provide \$245 million in new provincial spending to match the federal contribution under the federal-provincial housing agreement.

We want to point out, however, that even with the new spending under the federal-provincial agreement, the amount of housing produced will be well short of the need as projected by the Ministry of Finance. The 2,000 units per year to be funded under the new federal-provincial agreement, along with the 2,000 new units that the private sector has created in recent years, adds up to 4,000 new units, well short of the 18,400 new units identified by the Ontario government. The Ontario government would have to spend \$720 million annually to fund 14,400 new units. This is a large amount of money, but in a province as rich as Ontario, a province that can afford to give tax cuts of about \$12 billion annually that primarily benefit upper-income individuals and corporations, the spending envelope for housing is very affordable. Over the long term, co-op members urge the Ontario government to commit substantial funds for the creation of new social housing to meet the needs identified by the Ministry of Finance.

Recommendation number 2: we would ask you to ensure the long-term viability of existing social housing. Social housing, including co-op and non-profit housing, represents about 15% of the overall rental stock in Ontario. We may be small, but social housing plays a key role in providing good homes for almost three quarters of a million men, women and children in this province.

The Ontario government downloaded the cost of social housing to municipalities in 1998. The province is in the midst of transferring the administration of social housing to municipal service managers. In both our 2000 and 2001 pre-budget submissions, we noted that co-op members were opposed to the download. Co-ops, along with the non-profit housing providers, municipalities and others, agreed that it was not appropriate to put social housing programs on the municipal tax base.

Our members have developed strong relationships with municipalities across the province as the social housing transfer moves ahead. But our concern about the ability of the property tax base to sustain social housing remains strong. In particular, we want to draw to your attention substantial downstream costs that the province has downloaded on to municipalities, in addition to the current cost of the social housing portfolio.

Capital reserves have been chronically underfunded by the provincial government. These reserves are built up in

the early years of a co-op, then used to replace roofs or make other anticipated major repairs as the building ages and requires work. It was a false economy to cut reserve funding, and the shortfall in reserves has now presented a real liability for municipal governments.

Rent-geared-to-income funds are well short of the real need across the province. Waiting lists for assisted housing are in the thousands, or tens of thousands, in most parts of Ontario. Refinancing costs would be a major financial liability for municipalities if mortgage rates move up. At the moment, low mortgage rates mean that the cost of financing when social housing mortgages are rolled over is low. But if rates go up, then the cost to municipalities will also increase.

Co-op members urge the Ontario government to re-assume its responsibility to ensure the long-term viability of existing provincial social housing programs. The province can accomplish this by either restoring funding for social housing to the provincial level or by making sure that municipalities have the financial resources through grants and other financial means to meet both the current and long-term costs of social housing programs.

Thank you for the opportunity of making this submission on behalf of co-op housing members across Ontario. We welcome your questions, and, with your indulgence, I'll defer them to our manager of government relations, Michael Shapcott.

The Vice-Chair: Thanks very much for the presentation. We have approximately a minute per caucus, starting with the government side. Mr Hardeman.

Mr Hardeman: Thank you very much for your presentation. I have just a couple of quick questions. On the non-profit sector and the co-op sector, the difference between the operation and the capital for future expenditures to cover the cost of a new building getting old, is it different in the co-op? Is it part of your ongoing operation? It seems to suggest in your presentation that the rents are geared to part of it going to future costs, where in the non-profit it's not. Did I get that right?

Mr Michael Shapcott: That's right, and practically speaking there's no difference. Co-operatives are incorporated under the Co-operative Corporations Act. We have a slightly different legal structure, but a portion of the monthly housing charge or rent that co-op members pay goes into capital reserves. Our point in our presentation was that that amount of money has been squeezed fairly tightly as a result of government directives in recent years. As a result of that there's some underfunding, which is not immediately apparent, but 10 or 20 years down the line, as our buildings age and as we need major replacements, we're going to notice there's a shortfall. That liability is on municipalities now. It's a concern of our members.

Mr Hardeman: When you set up the budget to the amount of full rent and rent-geared-to-income occupants in the co-op and the difference between your payments that are required each month and your expenses, is that covered by municipalities, and do they have a say in your operation as to how much that is to be?

Mr Shapcott: The new Social Housing Reform Act of December 2000 sets out a very complicated funding model. It would take hours to explain the model. I think the simplest way to understand it is that the provincial government will be setting what are called benchmarks, which will be very strict guidelines for all aspects of costs and revenues, and co-ops and non-profits will be expected to meet those benchmark guidelines. They haven't yet been issued by the government. Those guidelines in turn will determine the amount of money that the municipality will be required to pay in terms of assisting co-ops in their subsidy payments and so on.

The Vice-Chair: Thank you very much. Mr Kwinter.

Mr Monte Kwinter (York Centre): In your presentation you talk about the Quebec affordable housing framework agreement. The provincial government has really gotten out of the affordable housing business and they've transferred all of those facilities to the responsibility of the municipalities. If they participate fully to the amount, that will still be the case. In other words, they will have funding, but that funding will have to go to the administration of the municipalities. Is that correct?

Mr Shapcott: The final agreement hasn't been signed with the federal government, so all we're relying on are reports we hear from provincial officials. We understand that a small portion of the money for the Quebec City agreement, about \$16 million, will go to rural and remote housing. That will continue to be administered by the provincial government. The bulk of the funds, however, will go to probably 10 or 12 municipalities that have the most severe housing crisis. So the province will flow the money through to the municipalities and they in turn will determine which projects will receive the funding and they will carry on the administration of the program.

Mr Kwinter: Is that it?

The Vice-Chair: Really, but go ahead if it's something very quick.

Mr Kwinter: No, it's OK. That's fine.

The Vice-Chair: Mr Christopherson?

Mr Christopherson: Gentlemen, thank you very much for your presentation. Both of you are familiar with my mom and her activities in the co-op movement, so it's a good thing that I personally agree with the position you've taken; otherwise, I'd be completely disowned by my mother, let me assure you. She loves her women's co-op in Hamilton.

Mr Shapcott: We'll communicate back to you that—

Mr Christopherson: Yes. Keep me out of trouble. Let her know I was there on this issue.

We don't have a lot of time, I've only got about a minute, but I think it's really important to point out that with the new agreement that was signed the government made as much noise as they could about how good this was for Ontario and that they were pleased that they'd reached an agreement. I'm paraphrasing. At the same time, your presentation points out that they completely abandoned the last government in North America that was actually funding the creation of affordable housing,

which was the NDP government, and we created 65,000 units.

1220

Here you have a bit of a, I don't know if I can use the word "hypocrisy," but certainly dichotomy, that on the one hand the government seems to say that providing affordable housing is not a responsibility of government and they're very proud to be out of the business. I remember Al Leach standing up in the House saying, "We're proud to be out of the business of providing housing." Yet, now that the results and the implications of that policy are the reality, meaning increased homelessness, more and more families that can't afford the kind of decent housing they should have, now that that has happened, they want to tout that they're getting into the game with the feds. But as you point out, out of all the money being bandied about and all the money talked about here today, billions of dollars, all they're putting in is \$20 million of new money and everything else is money they want to add up that's already being spent to show that that's our share of the agreement. But it's only \$20 million, which relatively speaking is a drop in the bucket compared to what they're spending on tax cuts.

The Vice-Chair: We're going to have to move on to the next delegation.

Mr Christopherson: Is that correct?

The Vice-Chair: Well, you're up to two minutes now. It's time for the next delegation. If you want to make a 15-second comment.

Mr Shapcott: That is indeed correct. The provincial government has only put 10% of its matching contribution in terms of new money on the table. But I would just like to say that we have met with many government members, including Dr Galt, Mr O'Toole and many others, and I think there is a recognition that the rental housing crisis in Ontario is a serious issue. We certainly hope that the committee will take our recommendations seriously and bring them back to the Legislature and to the government.

The Vice-Chair: Thank you very much for coming forward and making your presentation.

COUNCIL OF ONTARIO CONSTRUCTION ASSOCIATIONS

The Vice-Chair: Our next delegation is the Council of Ontario Construction Associations. Twenty minutes have been set aside for you. After your presentation, whatever is left over we'll divide equally among the three caucuses. As you begin, please state your names for the record.

Mr Gary Robertson: Mr Chairman, members of the committee, my name is Gary Robertson. I'm the president of the Council of Ontario Construction Associations. With me today is David Surplis.

We're here representing the non-residential construction industry, the people who build everything other than houses. COCA has brought the views of our many thousand members to this committee for well over 20 years.

The Ontario labour market lists construction as the second-largest industry in Ontario's economy, and it is important to be here today.

The health of the construction industry mirrors that of the province and vice versa. We have always received good hearings from this committee and we appreciate our candid exchanges. In beginning our remarks today, we would like to compliment the government regarding issues where our advice has been accepted.

The contractors of Ontario have always been opposed to deficit financing and are pleased that the budgets have been balanced. Contractors have long believed that a selective cutting of taxes would be beneficial to Ontario because of pent-up demand, especially in the housing economy, which in turn triggers non-residential construction. We have been very pleased by the stimulus given our industry by the cutting of taxes.

Contractors have always said that there was a very large, but largely unseen, deficit regarding the provincial infrastructure. COCA's members in the road building sector have been very pleased by the government's commitment of \$10 billion over 10 years, and our sewer and water main contractors are absolutely delighted with the introduction of Bill 155, the Sustainable Water and Sewage Systems Act.

COCA has also stressed the importance of cutting red tape, and our contractors will be very pleased with the streamlining that should result from the passage of Bill 124, introduced by the Honourable Chris Hodgson.

COCA has also pressed for the establishment of a home inside government for the construction industry as a whole. So we are delighted to acknowledge and praise the work of Ted Chudleigh, MPP, the Honourable Bob Runciman and the Ministry of Economic Development and Trade for the imminent creation of the construction advisory council. We are confident that such a council will provide government and this committee with even better advice and suggestions in the future.

We at COCA have been extremely pleased that employment in construction has averaged over 320,000 workers for the last five years, even with the downturn in economic markets. Of course, the investments of Super-Build are responsible for a great deal of this buoyancy. The construction industry has remained reasonably competitive, but we have a serious problem with the Workplace Safety and Insurance Board that is holding us back.

The problem is this: the WSIB collects money—we hesitate to call it premiums for reasons you will soon understand—from employers on the basis of declared payroll. The board does not know the number of employees covered, and it certainly does not know their names. At the present time, money collected from the construction industry represents payroll for approximately 150,000 workers. As you have seen, however, there are well over 300,000 people working in the construction industry according to the government's own figures. It is clear that many employers are paying little or no money into the Workplace Safety and Insurance

Board. Conversely, those who are paying are paying approximately double what they should.

It is our estimate, which is undisputed by the board, that there is leakage at the Workplace Safety and Insurance Board to the tune of about \$450 million per year. What does that mean to our industry? It means the playing field is very unlevel, and anyone paying full freight at the WSIB is much less competitive than he or she should be. To give you an example, in one of our highest-rate groups in the industry, steel erection and demolition, a contractor with a payroll of \$1 million sends a cheque for \$160,000 to the WSIB. If that contractor's competitors are not registered with the board or they are declaring payroll for only a fraction of their workforce, then our contractor is at a serious competitive disadvantage in bidding that work.

As we also claim, having everyone in construction paying full freight would reduce rates considerably and make Ontario even more attractive to investors. As you know, there is a discussion paper out now on universal coverage. That answer, if implemented, would only address part of construction's huge problem.

In the year 2000, all groups in construction met with WSIB staff to come up with answers to this problem. Collectively, labour, management and the staff of the WSIB recommended that the board operate on a named insured basis and behave just like a real insurance company. We suggested other remedies as well, but what's important for you to know is that the board has not done anything and appears to be content to have \$400 million more leak from its coffers every year.

There are many ramifications of this inactivity, and we are sure some of them impinge on revenues for the provincial government. Yes, it may be costly for the WSIB to move to a named insured policy, but we suggest the policy could be confined to the construction industry. We also suggest that the added revenues would quickly offset the additional start-up expenses. We need your help in getting the WSIB to move to this way of doing things in order to stop penalizing our members, especially our unionized members, who do pay into the WSIB and make the province more competitive.

If you have any questions, we'd be delighted to hear them.

The Vice-Chair: We have about two and a half minutes per caucus, beginning with the official opposition.

Mr Kwinter: Thanks for your presentation. I've heard this problem before in past years when you've come in. When we talk about this new initiative, are you talking about naming each individual worker or just the contractors who are not now registered with the WSIB?

Mr Robertson: We would be talking about naming each individual worker as well as the contractor. The contractors are already registered and named. Right now, the payroll is registered, not individual workers. In a sense, you're insuring payroll, you're not insuring people.

Mr Kwinter: The point I'm trying to make is that in your presentation you say that some contractors are not registered.

Mr Robertson: That's right.

Mr Kwinter: That's what I want to make clear: you're going to have to have every contractor who works in Ontario actually licensed and registered with the WSIB, plus all their payroll, all their employees.

Mr Robertson: The requirement now is that they all be registered. They are not.

Mr Kwinter: That's the point I'm trying to get at. How are you going to enforce this if they're not doing it? It's like the underground economy. How do you enforce that?

Mr Robertson: We all carry insurance coverage. We have our auto insurance, our home insurance. We have certificates to show that insurance in our wallets. If workers have such a thing, then they will also police the system to make sure their benefits are being paid on their behalf by those firms. If firms are not registered with the WSIB and they're not making payments, the workers will know.

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Mr Kwinter: Are you suggesting that every worker would have to have proof of insurance or they wouldn't be allowed to work and would be charged with being an illegal worker? Is that basically what you're saying?

Mr Robertson: Proof of insurance would be a mandatory requirement, yes.

Mr Kwinter: In your presentation, you talk about low taxes being a real incentive for people to buy housing, which in turn benefits the non-residential sector. We had some representations made earlier that the main driver of the housing boom is not necessarily taxes but low interest rates. Do you have a reaction to that?

Dr David Surplis: Whatever combination of factors it is, Monte, we're happy.

Mr Kwinter: I know you're happy. In your experience, do, say, lower income taxes, have a greater effect on housing construction than low interest rates? It seems that the housing boom is going counter to what you would find in the non-residential and that the manufacturing sector is really suffering. I assume that means some of the construction you normally get in the manufacturing sector is not happening. But the housing market is booming, and it seems the reason for that is because interest rates are low. I just wanted to get your reaction to that.

Dr Surplis: Interest rates are definitely at a 40-year low. Mortgage rates have been a real boon for our colleagues in residential. There's no question about that. But we were at a conference just the other day, and it seems that consumer confidence is quite high and returning again in all sectors. It's hard to measure exactly what it is, but we're just delighted that we've stayed at over 300,000 employed for the last five years.

Mr Kwinter: You talk about infrastructure being very important and that there's got to be increased expenditure on infrastructure. We keep hearing that the government is going to be faced with severe financial problems in the next budget, with estimates ranging from a \$3-billion to a \$5-billion deficit, or no deficit, depending on whom you

listen to. Notwithstanding what that number is, there's a feeling that other than health care and education, virtually all the other sectors are going to have to be cut and not increased, and that of course is going to impact both capital and infrastructure funding. Have you looked at that at all?

Dr Surplis: We haven't in particular. That's why we cited Bill 155, the catcher of fair market return for water and waste water, for instance. We think that will help ease those pressures on the system. It won't cure them entirely but will certainly go a long way to making sure the systems are viable.

The Vice-Chair: Mr Christopherson.

Mr Christopherson: Thank you for your presentation. It's good to see you again. I want to pick up a little on the underground economy and preface it by saying it's important to remember that there's always been an underground economy to one degree or another, but it really accelerated in Canada under Mulroney when he brought in the GST. There was a psychological click that went on where people thought, "That's it; I'm being ripped off here," and being a part of or benefiting from the underground economy was given some legitimacy in some people's minds—improperly, in my opinion. It's important to remember, when we're talking about underground economy, that a lot of this was triggered by a Tory and his GST.

I'm trying to find a reason why—and it probably goes back to our government too, so it's certainly not a partisan question—over time no government has truly come to grips with the issue you raise of the number of workers who aren't covered by WSIB, then WCB, by virtue of their employers not registering them and paying premiums. At the end of the day, what is the problem? Assuming it's not an ideological thing, because I believe it goes back over all three governments, why have none of us been able—I mean there has to be something there, because it's an obvious issue. There's a benefit to all those who are working legitimately and who want to be covered. Why hasn't the step been taken by government?

Dr Surplis: If you're looking for a single-word answer, it's enforcement. There are well over 30,000, 40,000, 50,000 construction companies in Ontario. They have a very active and able force at the board—the fraud squad, as they call it. They couldn't possibly find the companies, never mind research, investigate and prosecute them in a year.

Mr Christopherson: Wouldn't it pay for itself, though? Isn't that your point?

Dr Surplis: It would, and we've even partly suggested that they put them on a commission basis to go out there. We heard last year, for instance, that on comparing the federal returns with the provincial registrations at the board, there was something like 23,000 construction companies that had issued T4s that weren't registered with the board. Just finding 23,000 companies is a huge problem.

Mr Christopherson: It sure leaves a lot of construction workers vulnerable, and I know a lot of them aren't aware of it.

Dr Surplis: No, they're not. All injured workers are entitled to benefits. It's just that nobody is paying for them necessarily. That's the problem.

Mr Christopherson: But being a part of the underground economy, if they've got a duplicitous employer, their job is less than secure in that place, I would think. If there are shenanigans going on in one area, it's reasonable to think there may be shenanigans going on elsewhere.

One more quick question: what do you see toward the end of the year? Some people are saying a recovery of one degree or another. Do you see that happening? I know you talked about jobs being sustained, but what are you seeing in quarters three and four this year?

Dr Surplis: Institutional business has been really good for us—you know, the airports and hospitals and all that—and we see that staying and perhaps a little increase as we go through the year, and certainly an increase next year.

Mr Hardeman: Thank you for the presentation. I want to go right where Mr Christopherson was, on the people who are not paying for WSIB. It seems in the process that no one gets caught not doing it until they have an injury. Have you got any idea of how well the WSIB is doing on enforcement after a corporation or a contractor has an injury of a worker and the board finds out that contractor didn't have the employee covered? What happens then? We know every worker in Ontario is covered by insurance, so they get paid. What happens on enforcement with that contractor?

Mr Robertson: Generally, once that's found out the board will go back and revisit that firm and go back in time and access them for those premiums with a penalty on top. The problem often occurs, though, that legitimate contractors bear the weight of those decisions. As Mr Christopherson indicated, if there is a problem with registration, there's also more than likely a focus on avoiding the reporting of injuries. So those workers who become disabled or hurt on the job site may move to a legitimate employer's employ to have that coverage. They may bring that injury with them and then report it under that particular case to avoid problems with an employer who's not playing by the rules. But to answer your question specifically, the board does have protocols established to go back and revisit and reclaim.

Mr Hardeman: Under that protocol, have you got any numbers as to how successful that is, and how much money—you have statistics of how much money we think we're losing in the process for unregistered applicants. Do we have any statistical information on how much we're recovering when we have injuries of those who are not insured?

Mr Robertson: They've had an amnesty program for the last while, where they invited everyone to come in gratis, without fear of reprisal in terms of any charges, to come forward and register with the board. If they came in, they would only go back to the beginning of the year to assess their premiums, on the understanding that if they were found out later, they could go back five years

or more and assess them for the monies that are there. I think the numbers were \$5 million.

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Dr Surplis: They've recovered about \$5 million, Mr Hardeman, in the last year or so. It may be even more. It may be, say, between \$5 million and \$10 million. But out of \$450 million, that isn't very much.

The Vice-Chair: OK. Thank you very much for coming forward with your presentation. It was much appreciated.

ONTARIO ASSOCIATION OF NON-PROFIT HOMES AND SERVICES FOR SENIORS

The Vice-Chair: We move on to our next delegation, the Ontario Association of Non-Profit Homes and Services for Seniors. Thank you for coming forward. Twenty minutes have been set aside for you. Once you finish your presentation, whatever is left over we'll divide equally among the three caucuses. As you begin, please state your names for the record.

Ms Gail Carlin: Good afternoon. My name is Gail Carlin. I am vice-chair of the OANHSS board and work for the municipality of Waterloo, operating a long-term-care facility in Kitchener. Beside me is Donna Rubin, the CEO of OANHSS.

Mr Chairman and committee members, thank you for the opportunity to appear before you today. At OANHSS we welcome every opportunity to talk about the long-term-care facility sector and the challenges that lie before us.

Those of us in the long-term-care facility sector are obviously very familiar with its structure, operations and funding arrangements. Given, however, the complexity of this system, I'd like to give a brief overview of the sector in order to establish the context in which I will then talk about the challenges that face us.

There are actually three generic types of facilities in the long-term-care sector: the first, nursing homes, of which there are approximately 326 in the province; municipally owned and operated homes for the aged or rest homes, of which there are 101; and finally, charitable homes for the aged, of which there are approximately 70.

For the most part, nursing homes are operated on a for-profit basis by private operators. These operators must obtain a licence from the Ministry of Health and Long-Term Care for each facility they operate that specifies the number of beds for each facility.

Homes for the aged and rest homes are operated on a not-for-profit basis under the Homes for the Aged and Rest Homes Act and are operated by Ontario municipalities as one of their legislated obligations.

Charitable homes also are operated on a not-for-profit basis, under the Charitable Institutions Act, by a range of religious, ethnic, community and other charitable organizations.

OANHSS, which stand for the Ontario Association of Non-Profit Homes and Services for Seniors, represents

the not-for-profit facilities, both those that are municipally owned and operated and those that are owned and operated by charities. The not-for-profit sector operates a total of 25,515 beds, compared to 31,475 beds operated by for-profit nursing homes.

Recent RFPs will increase the total number of not-for-profit and for-profit beds in Ontario to 77,000 by March 2004.

Prior to 1993, nursing homes came under the jurisdiction of the Ministry of Health, while municipal and charitable homes for the aged operated under the jurisdiction of the Ministry of Community and Social Services. In 1993, with the passage of the Long-Term Care Act, all three groups were brought together under the Ministry of Health. As required by that legislation, operators of all three types of facilities must enter into an annual service agreement with the Ministry of Health that includes a budget package and documentation of the programs and services that will be provided by each facility.

The ministry provides per diem funding for each resident residing at the nursing home, municipal and charitable home for the aged. The per diem rate is identical across the three types of facilities.

This per diem is divided into what we call three envelopes: one is the nursing and personal care envelope; the second is programming and support services; and the third is accommodation.

Currently, the average per diem rate per resident is \$102.62. The government portion of the per diem is on average \$62.60, and then the residents themselves contribute on average \$40 per day toward the cost of care.

The fee structure for residents of long-term-care facilities is regulated by the Ministry of Health and Long-Term Care and is the same throughout the province.

I mentioned that the current per diem is \$102.62. This includes the one-time \$30-million increase which was provided last October: \$30 million spread over the six-month period from October 1, 2001, to the end of the fiscal year and the additional \$30 million committed for this fiscal year. Although \$60 million sounds like a large number, and it is, and we are grateful for whatever we can get, but this amounts to a per diem increase of \$2.60. When broken down among the three envelopes it amounts to an increase of \$1.33 per day for nursing and personal care, 13 cents for programming and \$1.03 for accommodation. In human terms that means we can provide three more minutes of nursing and personal care per resident per day.

With that as background, I would like to speak to the funding challenges that face the long-term-care facility sector.

I trust it goes without saying that residents of our facilities deserve the highest level and quality of care that can be reasonably provided. I can assure you that this is the objective of every single member of OANHSS. Residents of long-term-care facilities have been productive members of society who have paid their taxes and have otherwise contributed substantially to society. Many

are vulnerable because of their physical or mental conditions. We believe that society owes it to our seniors to provide the best possible care in the same way that we will expect the generation behind us to provide us with the best possible care when our time arrives.

I know that this committee, and indeed this government, must get tired of the endless requests for additional funding and claims that this or that sector or this or that activity is in crisis because of inadequate funding. Our members acknowledge that the current economic and fiscal situation makes it very difficult for government to contemplate substantial new funding for anything, no matter how urgent or meritorious. We do sympathize. Our members also work within this economic environment.

Nevertheless, it is incumbent upon us to tell you that the long-term-care facility sector is in a crisis state and does have an immediate and compelling need for substantial net new funding.

According to a recent study by PricewaterhouseCoopers that examined 10 North American jurisdictions, the level of service provided in long-term-care facilities in Ontario now lags behind every country, Canadian province and US state examined in this study, including Mississippi, South Dakota, Michigan, Maine, Manitoba, Saskatchewan, Sweden, Finland and the Netherlands.

Our members are increasingly frustrated and concerned that they are significantly limited in their ability to provide innovative, responsive quality care, services and programming for the residents. Residents, on the other hand, have an increasing need for more assistance with all activities of living. Dementia and mental health problems affect a majority and are on the rise, and almost all are at risk of injury and cannot cope from day to day.

Currently in Ontario our mothers, fathers and family members who are residents of Ontario long-term-care facilities have access to less than 15 minutes of care a day from a registered nurse, receive only two hours of nursing and personal care a day—that's within a 24-hour period—and are fed on a budget of \$4.49 per day. I think it's a challenge to feed a family of four on \$4.49 per day, let alone provide and meet the nutritional needs of the elderly on \$4.49 per person.

We are failing our obligation to our seniors to provide them with adequate care.

Resistance to providing the funding required only postpones the inevitable. Because of the demographic greying of Ontario, the situation can only get worse. In Ontario the 85-plus age group is forecast to increase fourfold by 2028.

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The number of persons with Alzheimer's disease is expected to triple over the next 30 years. According to Ministry of Health and Long-Term Care stats, the number of people with dementia will increase 85% by 2020. We can inject substantial net new funding now or pay considerably more in the future, and the future isn't all that far away.

In addition to pressures caused by demographics, our facilities are experiencing pressures because of things

that are happening elsewhere within the health care system. Because they too are dealing with funding restraints, hospitals are discharging patients with unprecedented levels of acuity. Many of these patients are admitted to our facilities and we must have the equipment and the professional health care services necessary to provide the enhanced levels of care that they require.

Total government funding to the long-term-care facility sector now amounts to \$1.6 billion. We believe that funding has to be increased to \$558 million in order to provide the levels of care that our residents deserve and reasonably require. This is based on the current base of 57,000 beds in the system. The total amount would have to be increased to \$684 million to accommodate 77,000 beds. This will increase the per diem rate to \$126.65 per resident.

Again, I acknowledge that \$558 million is a large number. But that reason we are asking for multi-year funding that would allow an immediate infusion of 50% now, or a per diem increase of \$12—that's \$12 per day per resident—with a 25% increase to follow in years two and three.

However, I respectfully suggest that if the long-term-care facility sector were adequately funded, it would take significant pressure off other health care sectors and thereby reduce costs in those areas. One of the failures of our health care system is that we rarely approach health care in a systematic way. For example, long waiting lists for long-term-care facilities amount to bed blockers for our public hospitals. The lowest per diem operating cost for a bed in a public hospital is \$400. As you can see, our proposed per diem rate for a long-term-care facility pales in comparison and would represent a considerable saving over the cost of a hospital bed.

If I can also put in a plug for the not-for-profit sector, we believe that we are particularly efficient in the delivery of care. Any surpluses that occur in our accommodation envelope are reinvested in care. We also have the significant support of a range of unpaid but deeply committed volunteers. Accordingly, the government can receive considerable bang for its buck by investing in the not-for-profit sector.

Mr Chairman, I thank you and this committee for your attention and welcome suggestions and comments.

The Vice-Chair: Thank you very much for your presentation. We have about a minute and a half or maybe slightly over per caucus, beginning with Mr Christopherson.

Mr Christopherson: Thank you for your presentation today. What happens if the per diem increases don't arrive, as a result of the demographics you've talked about? Where are we? Where are we in five, 10, 15 years?

Ms Carlin: We are struggling now to provide the care and services that these people need and acuity will only increase. That's been shown by the CMM as it has increased over the numbers of years. We will no longer be able to admit the type of client now coming into long-term-care facilities and just can't provide the day-to-day

services they require, provide an adequate level of care for them.

Mr Christopherson: If you can't admit someone, then one of two things happens, assuming they don't have the personal funds to pay for it, and if they did, they could solve their own problems. But the vast majority of people won't have them. So if you don't admit them, then it seems to me there are only two things: they either go into a hospital, where as you point out they are using up \$400 a day minimum, or they're just existing somewhere out there, and if they don't have family, they're alone in some room or some apartment deteriorating. Is that too bleak?

Ms Carlin: That's the difficulty, and they become a crisis in the community if they're at home and are put at the top of the list for admission to a facility. But there are already very lengthy waits for people who are sitting on the list currently.

Mr Christopherson: This will be my last question. Is it fair to say that the key thing for us, at least that I've been hearing, and I've been listening to presentations now for a number of years, is to get in now? We should have been earlier, with a little more money, because the longer we wait—it's like a lot of things. It's going to cost more because we'll have to spend so much money up front: capital costs; we won't have as much planning time; we won't have as much phase-in time. Therefore, at the end of the day, not doing something today means that our children and future taxpayers of tomorrow are going to pay an even greater percentage of taxes received to provide these services, or we're just not going to have these services for those who are not wealthy.

The Vice-Chair: Thank you very much. We'll move on to Mr O'Toole.

Mr O'Toole: It's good to see you again. I know the government has worked rather arduously with this issue, certainly since 1995 when we committed the 20,000 long-term-care beds and the additional annualized funding of \$30 million. I always try to break this down into understandable terms. I just wonder if there's any response other than increased taxes. I mean, our revenue comes from Monte or me or you. That's the dilemma here. We know the opposition's is just to raise the taxes.

As I understand it, the per diem, at roughly \$100 a day, is \$3,000 a month per person, and you can't do the job. You're in, as you say—your word—crisis. We've got to find a new way here, because with the demographics, all the reasons you explained—the half-billion, the 20-some per cent increase you want is unsustainable unless that happens in the broader public. There's a problem here. I'm closer than almost everyone here to being in one of those facilities and am acutely aware, with two mothers-in-law, or a mother-in-law and others who will need my support—no, in fact I do have two mothers-in-law, but that's another issue. Is there any other means? The provincial and the individual share of \$40—is there any way to look at this? Or do we need a nurse, who's making whatever, X amount—specialized, trained people, no question that that's what we need,

competent, caring health care providers. How can we get around this? This is a serious challenge. Every person who appears, all 60-some delegations so far—education wants \$2.54 billion. We just heard from the other sector prior to you; they want \$1 billion. I'm wondering how we can sustain it.

Ms Donna Rubin: We have been advocating that all parts of the system need to be adequately resourced for any one part to work properly. If home care were provided at an adequate level, if there was housing and supportive housing for people, we would take people out of the more costly parts of the system. You can maintain somebody almost to the same level, at about 85 years of age or so, before they might need to come into a facility, at a cost of maybe \$25, \$30 a day. We're trying to engage our partners in government to look at it from a systemic—

Mr O'Toole: Whole system.

Ms Rubin: Whole system. Obviously, you need hospitals at \$400 a day, but if we get people who need it out of hospitals into facilities, that costs the system less. But by the same token, people who don't need to be in a facility could be maintained independently in housing and supportive housing.

Mr O'Toole: Could we integrate it better?

Ms Rubin: We could integrate it.

The Vice-Chair: Thank you very much. We'll move on to Mr Kwinter.

Mr Kwinter: Thank you very much for your presentation. I represent a riding that has probably the largest concentration of seniors in Ontario. Just by coincidence, I'm on the board of the former Branson hospital, which is now the Advent Health Centre, and I'm going to a meeting tonight to take a look at our plans where we're building a long-term-care facility. Construction is going to start later on this month. In your presentation I wasn't quite clear as to whether the funding you needed was for staffing, programming enhancement, or are you calling for more facilities? Or both?

Ms Carlin: No, we're calling for more operating dollars. Although the beds that have been infused will certainly help the waiting lists, the concern is that you need funds to care for the people once they're in the facilities. So it's certainly an operating request in order to meet the needs of these residents. You must realize too, as Donna has said, that we try to keep people in the community as long as possible and those who need to be in hospital need to be there appropriately, but when they are eligible for long-term care their needs are much greater than you saw 10 years ago. These people have severe Alzheimer's disease, they have severe psychiatric conditions, or they are physically compromised with strokes or other debilitating conditions. We can no longer just provide them with a little bit of help. They need professional care and services in order to meet their needs.

Mr Kwinter: Are the constraints on your financing impacting on the quality of people you're getting and the ability to retain the people you do have?

Ms Carlin: Sorry?

Mr Kwinter: You say you need more money for operations. I'm just curious to know whether it's having an impact on your ability to retain the kind of people you need and to hire the people you need.

Ms Carlin: Very much so. There are changed demands for professional nursing staff, therapy staff and so forth. It's difficult to recruit those in some areas of the province right now. That's just another of the challenges before the sector.

The Vice-Chair: Thank you very much for coming forward and your presentation.

The standing committee on finance and economic affairs now stands recessed until 2 o'clock.

The committee recessed from 1301 to 1404.

CANADIAN PENSIONERS CONCERNED—ONTARIO DIVISION

The Vice-Chair: We'll call to order the standing committee on finance and economic affairs. This afternoon our first delegation is the Canadian Pensioners Concerned. Welcome and thanks very much for coming forward. Twenty minutes have been set aside for you. What you don't use in your presentation will be divided equally among the caucuses. As you begin, please state your names for the record.

Ms Mae Harman: My name is Mae Harman and with me is Gerda Kaegi. Our president and another board member are in the audience.

Canadian Pensioners Concerned was founded in 1969. It's a national, voluntary, membership-based, non-partisan organization of mature Canadians. We began our history with a group of retirees who were concerned about their pensions, and that's still an interest of ours. But we have broadened our interests over the years to include housing, education, health and various other issues that concern not only seniors but people of all ages and all stages.

We're very pleased to have this opportunity to present our views on budget planning. Ideally, government budgets are the expression in money terms of the policies and programs which the government adopts in order to govern effectively and efficiently in the best interests of all citizens. The prime concern of government should not be how much money can be saved but how to ensure that the rights and basic needs of all citizens are met.

Canadian Pensioners Concerned is opposed to the minimal tax movement. We look upon taxation as the source of funding for governance that provides for a well-functioning civil society. We believe in a fair, progressive system of taxation where the tax rate rises with rising levels of income.

The provincial sales tax is a regressive consumption tax which has a greater impact on low-income people with no discretionary income. It should be removed. We strongly oppose rebating of taxes at the expense of needed services such as welfare, housing, health and education. The costs of such cuts by far outweigh any

increase to the economy by the spending of money saved from taxes.

Downloading of responsibility for services such as welfare, public housing, transportation and roads is placing an undue burden on the municipalities, which must depend on property taxes for funding. Larger cities attract many people who present special problems, such as homelessness, illness, mental disabilities and lack of facility with English, which add to municipal expense. Small communities may not have property which yields high taxation. Transportation in a large city may serve many people from outside who come to the city to work, conduct business, attend school etc. These factors must be taken into consideration by the province. In all fairness, roads and public housing must be in good repair if turned over to municipalities, or costs of repair and replacement must be covered by the province. Furthermore, downloading has resulted in the need for higher property taxes and user fees, which your government has determined must be primarily borne by the individual homeowner.

In spite of the fact that the experience in other jurisdictions has demonstrated that privatization does not provide more efficient, effective service, we are moving steadily in that direction. Canadian Pensioners Concerned deplores this trend. California's and Alberta's problems with the cost and supply of electricity should warn us of what can happen to our hydro in Ontario. The tendering out of homecare services in Ontario to large private firms has not served patients well and has presented many problems for our local non-profit agencies which have developed over the years and worked well but must now compete with large, lower-wage private entrepreneurs.

The Walkerton water scandal indicates that the use of private companies to monitor our water supply was one factor in the illnesses and deaths in that community. Current scandals in the stock markets show how far for-profit corporations will go in misusing investors' funds for the personal gain of a few and how the economy as a whole is affected by these actions as well as the people who have lost their jobs and savings. Surely this indicates that the claim that private operation is always more efficient and effective than public services is patently false.

1410

We recognize the responsibility of each individual to take care of one's own needs, within one's capacity to do so, and to take some responsibility for one's neighbour. Within a civil society it is the duty of government to set the framework and provide the standards and services that provide good opportunities for all citizens.

Many people do not have family to take care of them or are themselves trying to care for an aged partner with health, disability or senility problems. Many people are isolated from neighbours and community and have no one to call upon for help. The disabled are cut off from contacts because of a lack of appropriate transportation and access to buildings. Many families are struggling to earn a living and care for ailing family members at the

same time. Home care and institutional services are hard to come by. Many people live on the streets or in shelters. Food banks are in ever-greater demand. Churches and other organizations provide meals for people who are hungry and beds on the floor for the homeless.

Charities compete with each other for funding to carry on their services. Volunteers are worn out looking after people. Children go to school hungry. Whole families are lodged in one room in a rundown motel. It is a disgrace for people in Ontario in 2002 to be forced into living in such circumstances.

Government must take responsibility for meeting the basic needs of people through public programs and by supporting the services of the volunteer non-profit agencies that were organized by their communities to meet new and special needs.

Adequate health care means the right service at the right time and place by the right caregiver. Health care is not a commodity to be marketed, but a service. The health care system must be integrated and coordinated so that services flow from one level to another, including disease prevention and positive health education; primary health care delivered by a team of professional caregivers, including doctors, nurses, social workers, dietitians, physiotherapists etc, according to the needs of the community to be served; hospital care; transitional care to help the patient adjust from intensive hospital care to home care; home and community care; retirement and old age homes; institutions, nursing homes and special care for Alzheimer and other patients with mental health, senility and other special problems.

Patients should be able to tap into the system at whatever stage is appropriate to their needs and re-enter as their needs change. There are many stresses and strains in our health care system at present, but these could be removed with careful coordination and long-term planning. In the long run, this would cost less than letting people's health deteriorate.

The CCACs, which were imposed on communities by the provincial government without adequate involvement of those communities in their planning and administration, never had adequate funding to meet the increased needs caused by an increasingly older population and the sending home of people from hospital sooner and with need for more sophisticated care. Those same CCACs have now been taken over by the government, and all direct community involvement has been removed. Services continue to be cut to people who are extremely dependent on continuous care. Clients are kept in severe anxiety as to how they can manage as further cuts are imposed.

Chronic care facilities, rehabilitation services, retirement homes, nursing homes, special care for the senile and for children with special disabilities are all in short supply. Appropriate standards and inspection are needed for these facilities so that residents can live out their days in comfort, safety and dignity. We support the organization of family councils in long-term-care facilities.

While the cost of some drugs prescribed for seniors and other patients on low incomes is covered by gov-

ernment, some essential prescribed drugs are very expensive and are not included on the pharmacare list. For some patients, it means a choice between purchasing the prescribed drugs or buying food. This situation needs to be remedied.

Cuts in education budgets and greater demands on teaching hours have left teachers feeling devalued and students feeling deprived. The atmosphere that has been created in schools does not facilitate learning. All children must have the opportunity for a full education, including the arts as well as science and technology. Children with special needs must have special assistance. More innovative projects are needed to help street youth become trained and employed. College and university students must not be saddled with heavy debt or forced to drop out because they cannot pay both their fees and living expenses. Changes in curricula now threaten to prevent some students from entering post-secondary education because of a shortage of spaces and teachers to accommodate students from two different streams.

The Ontario government should reverse its decision to opt out of financing public and cooperative housing. Municipalities need assistance in providing both shelters and affordable, accessible, safe homes. The ever-growing number of homeless people, including children, is a disgrace. Rent controls need to be reinstated.

The private sector cannot be expected to produce low-cost housing without assistance. They are in business to make a profit and will choose to produce profitable housing.

Our ecosystem is fundamental to human survival. Hence we need to take immediate and appropriate measures to publicly maintain and manage our precious supply of water and stop the wholesale extraction for bottling and subsequent sale outside Canada; prevent contamination of the air we breathe and of our soil; preserve adequate acreage for the production of food and avoid the industrialization of agriculture by allowing the establishment of factory farms, which are becoming a threat to our natural environment; and preserve our forests, wetlands and parkland areas.

Children are our future and our greatest asset. They and their families must not be abandoned to live in poverty, substandard housing or abusive situations. They must have adequate health care, education and recreation. Quality daycare should be available as a public service at an affordable rate to families with pre-school children. Children with special needs are entitled to special care and education. Their parents are entitled to special assistance and respite care.

The tendency to provide short-term remedies for major problems needs to end. Poorly thought-out changes often lead to the destruction of good policies and programs that only need some alteration to serve current needs in society. Such changes, once undertaken, are often hard to reverse.

Government has the responsibility to those who elect it to consult openly, to determine needs, to plan carefully and to deal with all citizens with honesty, respect and dignity. Basic needs must be met efficiently and

effectively. A happy, healthy, well-educated and well-employed citizenry will work with government to generate reforms and build a strong economy that can support services and deliver a good quality of life for all.

Ontario is rich in its resources, especially its people. Working together with all other levels of government, we could make a fairer distribution of resources and programs through a fairer tax system and effective and efficient management in order to truly make Ontario a province in which anyone would be proud to live.

1420

The Vice-Chair: We have about a minute per caucus.

Mr O'Toole: As the older member on this side, certainly, I feel I should say, respectfully, thank you for your presentation to the committee and for drawing our attention to some very admirable goals and objectives. I think it's best summed up in your conclusion on page 8, where you said: "... to plan carefully and to deal with all citizens with honesty, respect and dignity. Basic needs must be met effectively and efficiently. A healthy, happy, well-educated and well-employed citizenry will work with government to generate reforms and build a strong economy that can support services and deliver a good quality of life."

I think that really how I've started most of my questions in the past is: which came first, the chicken or the egg? None of us should take more than we give. Otherwise, there's nothing left for the future. I don't disagree with many of the points you've made in your presentation. I think it's arguably the goal of all governments to find that balance between needs and wants and how to pay for them.

The Vice-Chair: Thank you, Mr O'Toole.

Mr O'Toole: I just want to clarify one thing on the MSAs, or the CCACs. You should look back in 1993-94—

The Vice-Chair: Please ask the question.

Mr O'Toole: —when we started talking about MSAs, multiservice agencies. That is not a new thing that we somehow contrived. It's—

The Vice-Chair: Thank you very much. Mr Phillips.

Mr Phillips: It was a very thoughtful presentation. Obviously, a lot of work went into it.

One of the challenges is that the government believes we need corporate taxes 25% below our competitors in the US. According to the government's documents, we're below corporate tax rates in Germany, Ireland, Australia, France, Italy and Mexico. So the issue is, where do we find the revenue if the government wants taxes lower than our competitors? Have you any thoughts for us on where the government might find the revenue to deal with the issues you raised?

Ms Gerda Kaegi: We opposed the tax cuts, because we didn't believe that a smaller government would be in a position to provide the needed services that society and the economy would have to have if they're going to thrive in the future. Quite frankly, we didn't agree with the first set of cuts. We believed the growth in the American economy would clearly stimulate, and always has stimulated, the economy in Ontario. We see a direct

correlation between the tax cuts and the lack of capacity of the government to respond to meet the needs—not the wants, but the needs—of citizens. A tax increase is perhaps politically unpalatable to the government, but society, citizen after citizen, said, “We don’t want the \$200.” When they got that rebate from the government, they said, “I’d rather have the daycare, I’d rather have the nursing home, I’d rather have home care than \$200 that doesn’t buy me anything.”

The Vice-Chair: Mr Christopherson.

Mr Christopherson: I also want to thank you for your presentation. I certainly agree with the sentiments of your last comment. Unfortunately, the government didn’t listen.

For that matter, it was quite interesting listening to Mr O’Toole say—and I won’t put words in his mouth—that certainly he agrees, and by extension his party, I would think, with the general direction, and doesn’t disagree with some of your fundamental assumptions. Yet as I go through this from my point of view, the direction you’ve suggested this province ought to be going is the exact opposite of where this government has gone since they’ve been in power since 1995. So it’s interesting to listen to what they say, but it’s far more important to watch what they do.

In the limited time we have, on page 4, under “Whose Responsibility?” you say, “The fact is that many people do not have family to take care of them, or who are themselves trying to care for an aged partner with health, disability or senility problems.” I was wondering if you would include in that a group we’ve been hearing from pretty loudly and clearly during these deliberations; that is, older parents, and by that I mean 70s, 80s and 90s, who have middle-aged children, my age, with disabilities.

The Vice-Chair: Question?

Mr Christopherson: OK, Chair. They’ve cared for them in the home all their lives. They’re worried about what’s going to happen to their children when they’re gone, since they’ve done all the work. But when they’re gone, who’s going to do it? Who is going to care for their children?

Ms Kaegi: Yes, that certainly has been a long-standing concern for members of our organization and members of society in general. Sometimes it’s not only their children but their grandchildren. In many cases they have ended up taking care of their grandchildren because of problems with their children. So that is an ongoing issue and we could all cite examples of parents who are in exactly that situation. In fact, one of our board members is facing this great difficulty.

The Vice-Chair: Thank you very much. We appreciate your presentation and coming forward.

CANADIAN INSTITUTE OF PUBLIC AND PRIVATE REAL ESTATE COMPANIES

The Vice-Chair: The next delegation is the Canadian Institute of Public and Private Real Estate Companies. Twenty minutes has been set aside for you. After your

presentation, whatever time is left we’ll divide equally among the three caucuses. As you begin, please state your names for the record.

Mr Michael Brooks: My name is Michael Brooks. I’m the executive director of CIPPREC. I have with me Ian Bacque, our director of government relations, also from CIPPREC. We’re pleased to be able to speak to you today. It’s our first time before this committee, at least to my knowledge, even though we’ve been around for 30 years.

A brief background of CIPPREC, and I’m not going to really follow word for word the material that’s before you, but an overview of our entity: we’re 30 years old. We were formed to standardize accounting standards for public companies in 1970. We got involved in government relations on behalf of the industry probably in the mid-1980s. We are still most known for our accounting standards handbook, which every real estate company in Canada follows. Every accounting firm has a copy. Many governments follow our accounting standards handbook. We continue to work on it to ensure the consistency, integrity and accountability of all real estate entities—public, private, whatever.

I’ve given you a list of our members. They’re fairly representative of the fabric of real estate ownership in Canada. They are the biggest companies. They own most of the downtowns and most of the major shopping centres. From a people point of view, they would own the apartment buildings that constituents live in, shopping centres where you buy your groceries, office buildings where your family works. The monies invested would be your pension funds, your life insurance premium money and a variety of other sources. As most of you probably know, since the dot-com meltdown, real estate is a darling again and certainly rate yields are very attractive to many entities. So it’s attracting a lot of capital these days.

As far as our government relations activities are concerned, we perceive our role to be communicating with governments at all levels—generally, federal and some provincial. We don’t really get too involved in local politics. We’re involved with the CRTC on telecom issues, bankruptcy act reform, income tax reform. Terrorism insurance at the federal level has been a hot issue for us very recently, or the lack of availability thereof. We’ve been involved in provincial issues as well where it affects our members’ activities. We’re also involved in standards setting in other areas for our members, such as standard national office leases. We support education, and we convene forums for our members and others to get together through conferences and our Web site.

I’ve given you an executive summary of the issues that bring us here today, and I propose to speak to a few of the issues and ask Ian to speak to the property tax issue specifically. Generally, I would say that our industry is healthy. We are not in the position we were in the early 1990s. Rents are starting to spike again in Toronto, increased vacancies, some of it due to dot-com

failures. We are seeing much more growth in the 905 area than we are in the 416 area. One of the reasons for that is the highest property taxes in the world for downtown office towers, and we've given you some comparative data which Ian will talk about.

We are also concerned, although it's not in our submission today, about urban issues and what to do about the city of Toronto problem. A lot of our members, of course, have big bets placed on downtown Toronto, and the quality of the infrastructure, the quality of housing, policing and transit are all of issue to our members, so it continues to be an area where we'd like to work with governments in finding some solutions.

With that, I'd like to turn it over to Ian to talk specifically about property tax issues.

1430

Mr Ian Bacque: If I could direct your attention to page 12 of our written submission, our first specific request before you today is for property tax relief in the commercial, industrial and multiresidential property tax classes. High property taxes are contributing significantly to urban sprawl. The GTA is therefore not maximizing the utility of its existing infrastructure. Property taxes are in fact working at cross-purposes to the goals of intensification and efficient usage of infrastructure, especially transit, as Michael mentioned, which is still Union Station focused.

Property taxes are actually encouraging greenfield development, so we would request further business education tax relief and legislated movement toward the ranges of fairness.

On the next page—it's an unnumbered page—there's a coloured chart of Toronto development activity. You'll notice in the two right-hand segments, the fourth quarter of 2001 saw 700,000 new square feet of office space developed in Toronto, while at the same time there was almost 3.5 million new square feet of office space being developed in the suburbs. On the next page you will see what, in our submission, is the reason for this reality. Toronto property taxes on downtown office space are about \$14.07 a square foot. That's a 2000 property tax year number, which is about the same as the next three major Canadian centres combined: Ottawa at \$6.65, and you can see the rest of the list. For your information, the 905 regions surrounding Toronto average about \$4 per square foot. It's easy to see on that basis why tenants, and therefore construction, are attracted to the 905 area.

As Michael indicated, Toronto is, we're told by CB Richard Ellis, actually the highest property tax jurisdiction in the world at about \$14 a square foot. The cost to service this space is about \$4 per square foot. So downtown office space contributes net \$10 out of its \$14 property tax bill. It would make sense, of course, to grow the assessment base in this class, but taxes, development charges and other costs associated with development are making it prohibitive.

The limits or caps in both rounds of property tax reform have been somewhat welcome, but they have also entrenched an existing unfairness. Despite the facts

outlined in the two charts we've provided you, there is a view out there that commercial properties are getting a break under Bill 140, and this is just not true. Some are even going so far as to say that the residential class is now subsidizing the business classes. The facts show that the business or non-residential classes are paying more than their fair share of property taxes. Again, they're working at cross-purposes to the goals of intensification and the better use of infrastructure and are actually encouraging sprawl. The proof is that, as the charts show, 83% of new office space under construction is in the 905 regions of the GTA.

Our second submission touching on property tax is with respect to taxpayer representation on the Municipal Property Assessment Corp's board of directors. We congratulate the Chair of this committee, Mr Beaubien, for his submission to the minister that taxpayers be represented on that board, and we encourage the government to appoint a representative of the entire commercial property tax class. We'd like to take this opportunity to put forward the name of John Campbell, president of Brookfield Ventures Ltd, for appointment to the MPAC board at the earliest possible time.

Thank you, and back to Michael.

Mr Brooks: Three other points in our submission: one is a technical fix that we are looking for to enable the REIT vehicle in particular to grow. The income trust is the fastest growing element of the TSE and REITs are arguably among the most stable. It's your apartment buildings, your shopping centres, your office buildings, your industrial properties, your nursing homes which are part of this entity. There's an anomaly in the Ontario act that prevents Ontario-registered insurance companies from investing in REITs that does not apply to federally regulated entities, and we are looking for a particular fix on that point.

We have a number of members in the multiresidential class. We know there are a lot of issues around multiresidential, particularly affordable housing. Multiresidential unfortunately is also in the same property tax boat as some of the downtown commercial. Multi-family properties are taxed at three times the residential rate and again would consume only a fraction of the services compared to single-family. We continue to believe that reimposition of rent controls would disincent any new investment in that vehicle, that we're on the right track and that we should stay the course as far as that is concerned.

The last issue is the issue of capital taxes, which the Ontario government committed to eliminate in the 2000-01 budget. We certainly support that. For many of our members capital taxes are an absolute pass-through to the tenant. It's the small tenant, medium-sized tenant or large tenant downtown in the shopping centres who pays capital taxes. They're mobile, but it applies anywhere. However, for multi-family, capital taxes are an absolute cost to the landlord that it must eat. It's a complete overhead.

This point, combined with the property tax point on multi-family, would suggest that the tax portion of a

tenant's bill is very large and that some exploration might be given to mitigating that as a way to get more housing—multi-family-specific housing—built in Ontario.

I think I'd like to stop there to leave a little bit of room for questions before our time elapses. There are a few more background issues on the Real Estate and Business Brokers Act and terrorism insurance for your review after the fact.

The Vice-Chair: Thank you very much for the presentation. We have about a minute and a half per caucus, beginning with the Liberal caucus.

Mr Phillips: Thank you for the presentation. I'll start with that table right after page—I guess it's page 14, although it's not numbered.

My understanding is that over half of the property tax goes to education and that rate is set here at Queen's Park. It's set by the Premier. If that is the case, I'm assuming, then, in Toronto \$7 a square foot is going to education; in Ottawa it's maybe somewhere around \$3.5 a square foot and then in the GTA—outside of Toronto, the 905 area—it's \$2 a square foot. That's set by the Premier or by the Minister of Finance, not by the municipalities. We've been told that for education, because it's now handled by the province, there's going to be equal taxation across the province. In other words, equal service and equal taxation. There's one residential education tax rate, as you know.

Can you explain to us why it looks like the government is charging Toronto \$7 a square foot and the neighbouring communities \$2 a square foot?

Mr Brooks: I'll let Ian answer that.

Mr Phillips: That looks like it's a provincial issue, not a municipal issue.

Mr Bacque: That's right. As you know, the equation to determine any property class's property tax bill in the end result is assessed, valued and multiplied by the rate. What's happening is that downtown buildings are extremely valuable and the assessment roll for that portion of the city is disproportionately large, so when you apply a fixed percentage tax rate to a high-value asset, you end up seeing a much greater tax bill at the end of the day.

Mr Christopherson: Thank you very much for your presentation. On the issue of the multiresidential, you note that in your opinion, "Rent controls effectively killed new construction and will do so again if implemented."

First of all, I think there's an argument that that's not necessarily the case. Even historically, when you look back to 1972, when construction dropped off—all these figures, by the way, were given to us by the co-op people earlier today—rent control didn't come in until 1975.

Setting that argument aside, Al Leach made the same argument. Again, I remember Al Leach standing up early in the new term of the government in 1995 or 1996 and saying it was rent controls that killed the generation of affordable housing. They were going to make sure that we got rid of that unfair legislation, as they called it, and that was going to spark the creation of all kinds of

affordable housing. Of course the ensuing years gave us the biggest economic boom in the American economy that they'd ever seen. We benefited from that. At the end of the day, at the end of the boom, we still don't have any affordable housing.

The Tories' literally demolishing rent control did absolutely nothing and we've got figures that show that we need—different figures come forward but on average—about 19,000 to 20,000 new units per year just to meet the population growth expectations, and now we're finding that people are being evicted by the thousands across Ontario because they can't afford the increased rent. So we're losing on all fronts. We've missed the opportunity during the economic boom, we're now heading into a period of at least slowdown, if not worse, and you don't want the re-imposition of rent control, and from your perspective I can understand that. But where does that leave us, as legislators worried about ensuring that this province generates and creates enough affordable housing to provide decent accommodation for its population? Where do we go?

1440

Mr Brooks: It's a good question, David, that you've raised. Certainly from the private sector's point of view, they want an economic return on new construction, and what I understand is that rents aren't there. If you look at construction costs and you think they want, what, an 8% return—what do you want in your RRSP? An 8% return that is not quite there, to rationalize it. I don't think people are evicted. My understanding is that you can't raise the rent until the unit is vacant. So I'm hoping that's not the case.

I agree with you that we have a problem with new housing supply. I don't have a magic bullet for anybody, but our industry is prepared to work with anybody to see what we can do to get more constructed, whether it's by way of an income supplement or some other way to get at the problem.

Mr Christopherson: If I can, at the end of the day really the only way to do it is for the government to get back, involved in the direct equation.

The Vice-Chair: We're going to have to move on.

Mr Christopherson: Their tax cuts, which you want more of, won't let that happen.

The Vice-Chair: You're way over time. Mr O'Toole.

Mr O'Toole: Thank you very much for your presentation: a very good overview. A couple of things, just in a general sense, and I'd like to know your response. On page 13 you explain the infrastructure of why Toronto's costs are so high. I think the starting point on this whole education tax thing is where they were. They sort of capped them. There was such a disproportion between the 905 and Toronto with respect to education funding, which was hidden from the basic tax rate because it was all coming off the non-residential base, really, the industrial-commercial base. So it started high and it's still high. We've committed to fixing it. You know that there are positions and measures to do that.

There is an important thing too, just to respond. Is Toronto not competitive for those reasons, years of overtaking the invisible taxpayer, the non-residential taxpayer? The other part is, I'm very interested in responding to the exclusion of trusts under the REITs. That small technical regulation or rule certainly should be responded to, and I can assure you the minister will hear about that directly and rapidly.

Is there anything else you can say with respect to—our position has always been that the market sort of takes care of it. If the rents are too high in Toronto they'll move to the 905. If Toronto were to lower that, do you think there would be more greenfield development or more brownfield development in the city of Toronto so that they could increase revenue by having the right tax policies?

Mr Brooks: We've made the argument to them that there's free money, there's \$10 a square foot of free money if you can grow the size of the pie in the city of Toronto, but they prefer the short-term for sure of \$14 a foot.

Mr O'Toole: Yes, the instant gratification.

Mr Brooks: Yes.

The Vice-Chair: Thank you very much for coming forward with your presentation. It's much appreciated.

ONTARIO HOSPITAL ASSOCIATION

The Vice-Chair: The next delegation is the Ontario Hospital Association. Thank you very much for coming forward. Twenty minutes have been set aside for you. What's left over from your presentation will be divided between the three caucuses. As you begin, please state your names for the record.

Mr David MacKinnon: Thank you very much, Mr Chairman. My name is David MacKinnon. I'm the president of the Ontario Hospital Association. With me today is Virginia McLaughlin, who is chair of the OHA's advocacy committee and vice-chair of Sunnybrook and Women's College Health Sciences Centre.

This is the fifth time I have had the opportunity to appear before the committee to talk about hospital finances and the setting of budget priorities for the province of Ontario. I very much appreciate the opportunity now, as before, and we have always gained from the committee's deliberations.

Since time is limited, our remarks will be brief. Further information is provided in two documents, which we are going to leave with you. We will be releasing for the first time some very detailed estimates of hospital funding issues and shortfalls and the potential impact on patient care services. We're also producing significant new information on federal-provincial fiscal policies and their impact on health care in Ontario.

I'd like to ask Virginia McLaughlin to make a few comments about some of the opportunities, and there is an opportunity side to this equation that we see emerging, before I come back and talk about the specific priorities we would like to put before the committee.

Ms Virginia McLaughlin: I would like to echo David's remarks and thank the committee members for the opportunity to be here today. I would also like to take this opportunity to acknowledge all those in the system who contribute to the health care system: from the front-line staff, such as physicians, nurses, technicians and support workers, who must operate under increasingly difficult and uncertain conditions; to the voluntary trustees of hospital boards across the province, who are under greater pressure to meet patient care needs within their increasingly stretched budgets; to the tens of thousands of hospital volunteers, who dedicate countless hours of their time to support patients and their families at a time when they are in need; to the Ministry of Health and Long-Term Care officials, who are working closely with hospitals and other providers to improve the delivery of care and to help manage the impact of budget under-funding on patient care services; and last, to the patients and their families, who must educate themselves and navigate a more complex health care system at a time when they are vulnerable and in need of help.

I would like to begin my remarks by saying that we are at a time of immense challenge and opportunity. While hospitals are stressed as never before due to unrelenting cost pressures and rising consumer demands and expectations, we are also at the crossroads of fundamental change and innovation.

We believe that for the first time in a long time Canadians are having a genuine debate about the fundamentals of Canadian health care. This is important because our inability to make social choices and the absence of appropriate public policies are the root causes of the financial crunch in hospitals and the health system generally. The reports coming from Mazankowski's advisory council, Senator Kirby's committee and the Romanow commission offer the prospect of new policies that will put us on a sustainable path.

Many of our members are particularly impressed with Mazankowski's report and we recommend that this standing committee launch a full review of that report to determine if it would be possible for Ontario to formally endorse some or all of its principal recommendations. For those of you who haven't seen it, it's quite manageable and it really is a wonderful, very succinct but at the same time comprehensive articulation of the fundamental, most important issues facing us. It provides a road map for the kinds of things we need to be thinking about as we move forward in revamping our health care system.

Our challenge as a society must be to move from reports to action as quickly as possible and to stabilize the system in the short term so that it is not irretrievably damaged before major changes can be made to it.

I will now turn to David MacKinnon to outline our specific recommendations for the 2002 Ontario budget.

Mr MacKinnon: Thank you very much, Virginia. It's our view that patient care in hospitals is generally very, very stressed. Our expectation is that planned under-spending by the province is expected to total \$260 million this year and a minimum of \$730 million next

year, for a total of \$990 million. I want to emphasize that this is not a bargaining ploy to get more money from the system. These are the facts that the government itself has repeatedly acknowledged on several occasions and they have been corroborated by our auditors. In fact, many of them are based on an audited financial projection submitted to the government six or eight months ago.

You will note that I am using the phrase "planned underspending by the province" rather than "hospital deficits." The reason is that the government was advised before the 2001 budget of the funding needed to operate the hospital system and that the hospitals had already committed the funds because almost all hospital costs are fixed in the short term. That advice was ignored, which effectively means that hospitals have had to borrow the money to protect patient care.

The government also indicated that it had paid down the provincial debt by \$3.3 billion without at the same time acknowledging the extent to which that had been accomplished by shifting provincial obligations on to the hospitals. It's a bit like reducing in one's budget the amount intended for the current month's rent and using it pay down one's Visa card.

1450

This is particularly unreasonable, because health care cost increases were documented fully by the Ontario government and other Ministers of Health in their report to the federal government in August 2000. For Ontario alone, the provincial Ministry of Health projected health care costs to grow by 5% a year, excluding major cost accelerators and drivers such as new technologies and drug therapies.

I should add that we have by far the most efficient and transparent hospitals in Canada. We have many measures that can be used to demonstrate that, and we have no difficulty at all in demonstrating that those who work in hospitals are going the extra mile to hold the system together. In fact, we produce the most complete set of hospital report cards on the continent, all of which I believe illustrate that important point.

We recognize the government's priority to eliminate the deficit and reduce provincial debt. But, as I've noted, we can't help but point out that hospital deficits and debt are correspondingly rising and have increased by hundreds of millions of dollars while the provincial debt declined. Our submission thoroughly documents these changes.

We can't turn consumers away, nor can we charge them anything. Under federal and provincial legislation, hospitals are required to provide medically necessary hospital services to the public. So inadequate funding, when it occurs, puts hospital trustees in a difficult, and perhaps impossible, position. Either they provide patient care services to a growing and aging population and face inevitable cost overruns, or they balance their budgets through reductions in services and employees, which compromises the spirit and intent of government legislation. It was never intended that hospital boards would be the ones allocating health care services in this way,

without legislation that supports some of the fundamental choices involved.

We are asking the government to be clear on its policies and priorities. Both the Ontario and federal governments have essentially two choices with respect to hospitals and the health care system. They can openly recognize and endorse changes to the type and quantity of patient care services available to the public, either by delisting, longer waiting lists, introduction of copayments or many other possibilities; or they can fund the current system—absent those choices—at a level that is needed to support current services and provide the funding necessary to increase efficiency and make the investments that are necessary to increase efficiency without jeopardizing patient care.

A second major issue that I would like to address very briefly is federal-provincial fiscal relations; we are leaving a second paper with you on that subject. The province has repeatedly pointed out that correcting problems in this area is a major priority for it, and we agree with that. The OHA recently commissioned a study that found that the federal share of health care funding has fallen over the last 25 or 30 years and is now less than one third, even if you accept the federal argument that tax points should count in this calculation. So there is no question. I can unfortunately safely say that I've been around with governments long enough, since the 1960s, to know what the original bargain was, and the original bargain was much more of a partnership than is implied by those figures.

We believe that if the federal government wants to continue to honour the spirit and intent of the Canada Health Act, it must substantially improve its support to the system. All our research shows that the burden is falling disproportionately on the provinces, which means that the goals inherent in the Canada Health Act are at some risk.

There is a larger issue, a very difficult issue, that I would like to draw to your attention, and it involves federal transfer payments. According to our research, from 1997 to 2000 Ontario taxpayers have transferred a net \$23 billion a year to other parts of Canada through the federal government in literally hundreds of different ways. This is equivalent to roughly 5% of Ontario's gross domestic product every year. It is nearly \$100 million for every working day, which may be one of the world's largest voluntary shifts of wealth.

One of the consequences of this shift is that spending on key public services in Ontario is now well below the Canadian average in relation to population. In particular, the fact that Ontario currently funds universities at about 81% of the national average in relation to population is probably a significant shadow across our future.

To use another example, the number of acute care beds per capita in Ontario is 75% of the national average. When you think of how large we loom in determining that national average, the gap is actually much greater than 25%. In large urban centres, particularly Toronto and the west end of Ottawa, the hospital system is

particularly stressed, with occupancy rates well above what is considered reasonable by international standards. I should also have included the 905 region around Toronto as well as a few other areas where growth is well above the provincial average.

This problem really needs urgent attention by the federal government. It is not in the national interest over any period of time that core public services in the province that is the major funder of the transfer system should be themselves underfunded relative to the rest of Canada. Prince Edward Island, for example, has seven hospitals for a population of 140,000, a fact that may be bad economics and is likely to be bad health care.

I would like to make a second suggestion to this committee: that you hold hearings specifically aimed at assisting Ontario's citizens in understanding this complex subject of federal transfers and what it means for Ontario and its public institutions.

In summary, we really need to move on two tracks. We need new policies introduced as quickly as possible to move the system in different directions. I agree with everything Virginia has said about the Mazankowski report, and think it's the best formula we've had so far.

Second, the province has to modernize its relationship with health providers, and the federal government really has to step up to the plate if we are to avert the very serious financial crisis which threatens to engulf us and which is described in great detail in the presentations we will leave with you. Thank you.

The Vice-Chair: Thanks very much for the presentation. We have about a minute and a half per caucus. I would encourage questions not statements.

Mr Christopherson: Thank you for your presentation. It's good to see you again. I just want to review something you said; I think it's really key. You state that you have deliberately used the phrase "planned under-spending" as opposed to "deficit." Deficit would imply that you expected to spend X dollars and instead spent X-plus. This, when linked with the fact that the provincial government in Ontario told the federal government back in the year 2000 that they could expect increases of 5% in health care costs on the hospital side, says that they knew these were going to happen. I'm just trying to get at another way of rephrasing your point that this is not some unexpected deficiency in the management of our hospitals, which is what this government likes to say. Whether you're a CCAC, a school board, a mental health services provider, if you're overbudget or you don't have enough money to meet the demands, somehow you've failed as management. This document says, "The government itself projected that our costs were going to go up 5% long before we ever got into the year. This was planned underfunding."

The school boards have said to us from the beginning that there is no such thing as a balanced budget in the province of Ontario as long as we have such huge deficits in spending in education and health care. Would you agree with your counterparts in the education system?

Mr MacKinnon: I would say that the rate of increase in hospital expenditures is one of the most predictable

sets of statistics in the public sector. In the United Kingdom, the United States, Canada and most developed jurisdictions, it's about 6% a year minimum. There are all kinds of tough implications to that figure, which I wouldn't deny, but the numbers are known.

Every year in Ontario we go through the most incredible budgetary planning process ever. The government writes a letter saying, "We recognize population growth and aging are occurring, but we won't pay for it." Every year we have three or four lobbying campaigns, and that gets changed a little bit. But the system still gets eroded. By the way, that's been going on for 30 years or more. You really can't run a hospital system that way.

Even if the numbers didn't change but were predictable, and the government announced them in advance and did that over time, we would be able to run the system better. But in the sense that all those are deficient and the government in its 2001 budget did not include figures of which it had been made specifically aware, I believe that the budget for hospitals in particular was a level of planned under-spending, and it does not reflect on hospital management and boards. We produce the report cards. We rate ourselves and we're very tough critics.

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The Vice-Chair: Thank you very much. We'll move on to Mr O'Toole.

Mr O'Toole: Thank you very much, David and Virginia. It's good to see you again. You've been at it for much longer than any of us, I think. I appreciate your input today. I go back only as recently as when I was on council when the NDP, to their credit, had the acute care study, which was really the same question, which resulted in Dr Sinclair's version of how to structure health care infrastructure. I just want to make reference—not just go the easy line which is the federal issue—to the whole issue of having a strong Toronto to have a strong Ontario. The same argument could be made for a strong Ontario to have a strong Canada. This isn't just a self-centred argument. I agree with you that Kirby, Mazankowski, Romanow and indeed the province are concerned about trying to get the federal government to the table, and for all of the reasons we've just described. Is there anything we could do, besides cutting back some of the overarching rhetoric—I'll be sending this out to my constituents, Mr MacKinnon.

The Vice-Chair: Question?

Mr O'Toole: Is there anything we as a government could do to smooth this horizon line and stop the battle with the federal government which is really hurting the seniors and others of this province?

Mr MacKinnon: I'd make the one suggestion, that perhaps the committee could hold formal hearings or some committee of the Ontario Legislature, whichever is the most appropriate, could have formal hearings on the transfer structure and other related issues.

I agree with you on Toronto. I think it's the source of Canadian growth from coast to coast. There should be no reason why the mayor of Toronto should have to go, cap in hand, looking for cash from Ottawa. It's generating the

growth and his activity should be supported immensely in terms of allowing it to continue to do that.

The Vice-Chair: Mr Phillips.

Mr Phillips: This concerns me greatly. The province has said, "We can cut corporate taxes 25% below our US competitors. That's how we have to compete. We've got to get corporate taxes 25% below Michigan, New York and whatnot and we can afford \$300 million to \$500 million new funding for private schools." Furthermore, I read where the Ministry of Health is essentially saying that this is just the usual pre-budget scaremongering that the Ontario Hospital Association is engaged in and it's just a natural thing. A shortfall of \$770 million sounds dramatic to me. If in fact that's what you might be facing, and if you don't get those funds, if you are forced to stay at the current budgets, what does that mean for Ontario?

Mr MacKinnon: Gerry, the figures are in our submission, and rather than go through in detail, it means very significant reductions in services. It particularly means, I think it's safe to say, Virginia, difficulties in handling the growth regions of the province, the 905 region, southwestern Ottawa, Alliston and other places such as that. It also has the capacity—and maybe I'll just stop there and if you want to comment further, Virginia—to seriously undermine a labour force which is already stressed and under enormous pressure.

Ms McLachlin: David, I think you've hit on the high points. The health care sector is not an inexpensive sector of the economy to run and to manage. However, having said that, I think we can look at it from a number of different ways, including as an investment in the health of the citizens of this province and also an investment in the intellectual capital and infrastructure of the province. The hospitals of Ontario, as you will see from the submission, are already at benchmark; they are already efficient. There is not a lot of fat. There is no fat to cut. We are down to the bone.

So what does it mean? It means there will be fewer services. It means there will be longer waiting lists. It means there will be a destabilized workforce. We are already short in many highly skilled areas that require a long time to train those individuals, and if there's no stability in the workforce, then that's going to exacerbate that situation. The fact that we are already at the margin, already as close to the edge as we can be means there will be significant impacts on all of these areas, not just on patient care but on the whole gamut of the provision of health care in this province.

The Vice-Chair: Thank you very much for coming forward with your presentation.

ASSOCIATION OF ONTARIO HEALTH CENTRES

The Vice-Chair: Our next delegation is the Association of Ontario Health Centres. Welcome. We have set aside 20 minutes for you. After your presentation, whatever is left we'll divide equally among the caucuses. As you begin, please state your names for the record.

Mr Robert Groves: My name is Robert Groves. I am the president of the board of directors of the Association of Ontario Health Centres. I have held this position since June 2000. Beside me is Gary O'Connor, who is the AOHHC executive director. To his right is Pat McLean, the past president of the association's board of directors. We will each deliver part of this presentation.

We are deeply appreciative of being able to address this important committee of the Legislature. At the risk of being a bit immodest, I can assure you it will not be a wasted 20 minutes. I do want to explain more about my association, but I first want to explain why we're here today.

The Association of Ontario Health Centres has come to Queen's Park today because we genuinely believe we have a solution to offer the government that will make significant improvements to the province's health care system. Given the amount of money the government has flowed back into health care, we know that this is also your number one area of interest. We praise the government for continuing to reinvest in health care. It is money well spent.

Community health centres have been at the forefront of primary health care reform for the last 30 years. As a result we wholeheartedly support the government's commitment to roll out primary health care reform province-wide. We believe there is a role for CHCs to play in this rollout because CHCs ensure health care is provided in an accessible fashion; CHCs allow clients to participate in the provision of their health care; CHCs provide care using interdisciplinary teams of health care professionals; and they are community-run and -governed.

The government has committed to having 80% of family physicians working in primary health care networks by 2004. We praise both the impulse and the target. Unfortunately, recent polls suggest that this goal will be difficult to achieve through family health networks. We have a proposal that will help the government in accomplishing this important, ambitious objective. In fact, today we want to leave the committee with a set of proposals that moves the primary health care reform yardstick a considerable distance.

Who are we? Ontario's health centres are now in their fourth decade of delivering comprehensive health services to people in their communities. It was not until 1982 that our association, now referred to as the Association of Ontario Health Centres, was officially incorporated.

Today there are 65 centres in operation in all parts of the province: 55 are community health centres and 10 centres provide services as aboriginal health access centres. These centres are all community-based, non-profit organizations that provide high-quality, cost-effective primary health care services. But our centres do not stop there. They also focus on health promotion, illness prevention and community development to improve overall health outcomes for individuals, families and the communities they serve.

In June 2001, the Ministry of Health and Long-Term Care completed a strategic review of the community

health centre program. The report is not yet public, but key findings presented by the ministry show that CHCs exhibit desired primary care reform features; are accountable through community governance, service agreements, and accreditation; deliver on ministry goals and strategies; have a strategic role to play in primary health care, particularly with populations facing access barriers; that family health networks will not reduce the need for CHCs, since FHNs are not designed to improve access for disadvantaged groups; and CHCs are one way to meet the needs of underserved areas.

We have been told that the CHC program strategic review has been approved by the Ministry of Health policy committee and is being used to guide the ministry's business planning process. We are encouraged by this and are looking forward to the review's release.

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Mr Gary O'Connor: I'll present briefly what we have to offer.

In its 2001-02 business plan, the Ministry of Health and Long-Term Care described its vision for Ontario's health care system as the following: "a health system that promotes wellness and improves health through accessible, integrated and quality services at every stage of life and as close to home as possible."

This vision fits nicely with our approach. In fact, it could almost be the vision for community health centres. Our approach stresses comprehensive care close to home, with an emphasis on making people well and caring for them before they are ill.

What the ministry has identified to achieve a better health care system in its business plan is what community health centres do every day.

Our proposal: in an effort to assist the government to expand primary health care reform and plug some of the gaps in underserved areas, the Association of Ontario Health Centres has a set of proposals we would like to share with the committee.

In October 2000, we submitted a business case, but in fairness, the proposal could not be acted on until the CHC's strategic review was completed. That has now happened, so there should be no impediments to implementing our proposals now.

We would like to see our proposal funded in stages over the next three years, although the committee should understand that the process for bringing a health centre up to its full operational capacity can take as many as three years. So the full funding maturity of this proposal is more in the neighbourhood of six years, which means spreading the funding over six years as opposed to three.

The proposal calls for doubling the number of health centres around the province. That would necessitate adding 65 new health centres in key areas of the province that have identified a need for better, basic primary health care and wellness services. I don't think anyone disputes the fact that more and more communities across the province are finding it difficult to maintain their current level of physician services.

Another aspect of the proposal deals with expanding existing health centres so they can better meet the increasing demands and acuity levels needed to maintain quality care in their communities.

We think the government should move immediately to fund phase one of our proposal, which calls for the immediate expansion into 13 new communities through funding new CHCs or satellites to existing health centres, at a cost of \$21.5 million. There are 96 community groups from 78 communities that have identified with the CHC model as the best way to provide primary health care services to their communities.

We also think it's necessary for the ministry to inject \$29.5 million into existing centres so they can better serve the communities and better meet the government's health care priorities.

One sixth of this money would be used to address recruitment and retention issues within CHCs. The committee should know that staff at community health centres have not had a salary increase in 10 years. Many of our positions are now paid greater than 25% below the market norms, causing tremendous recruitment and retention problems. Also, \$10 million would go towards hiring more health professionals: more nurses, more physicians and other health care professionals. The remaining \$15 million will enhance vital health promotion programs that CHCs deliver.

We think it is money well spent because it will help existing health centres meet some of the most significant cost and program pressures they face. Keeping our community health centres functional is critical in helping sustain and improve the provincial system, because we provide service to populations and to areas of the province that, quite frankly, many providers do not wish to support or are incapable of supporting.

We are confident that the review, when released, will highlight the need for strengthened and expanded CHCs. We also don't think it serves the government's best interests to make 95 communities wait, especially given the current climate of communities competing against one another for scarce health professionals to provide their basic health care needs.

I don't think I'm going too far out on a limb to suppose that one of the most frustrating calls that members of this committee and other MPPs take is from constituents who express their dissatisfaction and frustration at not being able to access basic health services. Our plan takes a big step to ending these phone calls for each of you.

Ms Pat McLean: Let us help you. We might be a little biased—just a little, of course—but we think our proposal can provide a huge assist to the government in managing the health system and to patients who are trying to gain better care and better access within the system.

How exactly is this achieved? Well, let's talk a moment about hospital emergency rooms. People go to emergency rooms not because they necessarily want to but because they have no alternative. Either they cannot

gain access to their family doctor or it's after hours and the doctor's clinic has closed. By funding our proposal, community health centres will be in a position to provide 24-hour access, seven days a week. This makes us a natural safety valve and a natural alternative for hospital emergency visits, which should improve both the patient flow in emergency rooms and make sure hospital capacity is maintained for true emergencies.

The government is quite correct in wanting to expand primary health care networks across the province. However, we think it is wrong to expect one size or one model to fit all populations. We think the community health centre model has an important role to play and should not simply be shoved aside while the government and the Ontario Medical Association negotiate networks around the province.

We have a proven, cost-effective, measurable model that treats all of the individual's primary health needs. We can also service the hard-to-reach population groups that can potentially drain hospital resources if care is not provided ahead of time or on time.

Cost-effectiveness: CHCs compare favourably with other primary care models of delivery, particularly when you take into account the greater acuity of the patient base currently in community health centres. Also, our attention to health promotion and disease prevention that we practice helps keep people from getting sick.

Underserved areas: 27—that's 40%—of our centres are in needy areas, and our phase 1 proposal seeks to eliminate service gaps in 15 key areas of the province.

Wellness: our philosophy and approach is all about making people well so they don't need to rely strictly upon a treatment regime. We know this is a priority for the government and we believe we are an effective and successful strategy to achieve this goal.

Cost-effectiveness, emergency rooms, primary health care reform, underserved areas and wellness are five areas in which the government knows it needs to get better results if it is to make a dent in improving the province's health system. In all five areas we have a proven and successful record. So today we ask the committee to help us impress upon the ministry the need to back a winner.

In summary, members of the Association of Ontario Health Centres are in their fourth decade of providing high-quality, comprehensive health services to high-needs groups and to communities. Our centres feature an interdisciplinary team of health professionals. They provide 24-hour access to coordinated services. The model is built on a broad understanding of the determinants of health. All providers promote illness prevention and health promotion as part of primary health care. We have invested heavily in information technology and we can measure what it is we do and what we achieve. We have a high level of patient satisfaction. We are community-based and reflect the health and service needs of the communities. We are accountable: we enter into service agreements with the ministry, we are governed and

managed by local people, and we submit to outside reviews through our BHO accreditation process.

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What we hope to accomplish today is to re-establish our presence and worth in today's health system and to state very clearly that the key health directions the government has identified as priorities are areas in which we have a proven track record of accomplishment.

We understand the government has made primary health care reform expansion commitments with the Ontario Medical Association, but we would hope the government will keep an open mind on other models that can help the government achieve its objective. We are one such model that will meet those objectives. But we can also meet other objectives, like wellness and service.

The health care needs in many communities of this province should not be put on hold and made to wait while the government and the OMA figure out how best to implement primary health care reform. We have a service model that works in these communities.

Now that the CHCs program strategic review has been completed, we ask the committee to endorse our 130 community health centre comprehensive expansion proposal. It makes sense and it fits the government's expansion plans.

Please use our phase 1 proposal as an effective blueprint to begin rolling back the gaps in service which have popped up throughout Ontario. We're proven. We have a plan. We hope you will see the merits in our plan. Thank you.

The Vice-Chair: We're almost out of time. We have about a minute and a half in total. Shall I give it to one caucus rather than try to split it up?

Mr Spina: Thank you, folks. You are so refreshing. My only regret is that the media, who were ready to cover the elements, justifiably, of the Ontario Hospital Association, did not stick around to hear a constructive proposed solution for health care and service delivery to patients such as this.

Algoma Health Unit is something that I've known for 30 years, having been born and raised in Sault Ste Marie, and one of the most successful units. That's a model, I think, that you guys—that's your system.

Can the Ministry of Health proceed with adopting your model without the OMA agreement? They are the bottleneck, clearly.

Mr O'Connor: I think the key issue with the OMA is whether or not the funding of the proposals will come from the OHIP pot or from other funds. The government can move forward with our proposals if it comes up with money outside of the OHIP pot. If it wants them to come within the OHIP pot, it has to negotiate that with the OMA.

The Vice-Chair: Thank you very much for coming forward. We appreciate your presentation.

RENTAL HOUSING SUPPLY ALLIANCE

The Vice-Chair: The next delegation is the Rental Housing Supply Alliance.

Mr Paul Mondell: Good afternoon, Chair, and members of the committee. My name is Paul Mondell. I am the chairman of the Urban Development Institute of Ontario and also the president of the Urban Development Institute of Canada. With me this afternoon, to my right, is Mr Vince Brescia, who is going to share the presentation with me, who is president of the Fair Rental Policy Organization of Ontario; to his right is Mr Neil Rodgers, president of the Urban Development Institute of Ontario; and to my left is Mr Andy Manahan, the development promotion representative of the Universal Workers Union, local 183.

Thank you very much for the opportunity to speak to you this afternoon. The only regrets we have are from Richard Lyall, who is the president of the Residential Construction Council of Canada.

Collectively, we are the Rental Housing Supply Alliance, which is an umbrella organization representing developers, builders, investors, landlords, property managers and labour. We promote policies that will assist and stimulate the production of a healthy purpose-built rental housing supply within Ontario and across Canada. The Rental Housing Supply Alliance is promoting a long-term, sustainable approach to restoring business and investment confidence in the rental housing supply through changes to federal tax policy, CMHC's mandate, remaining provincial barriers and municipal policies, fees and charges.

In December of last year, the Rental Housing Supply Alliance spoke to the federal, provincial and territorial housing ministers in Quebec City. The message was that long-term, tax-driven solutions were necessary to spur the construction of rental housing. This was supported by the housing ministers in their final communiqué. Furthermore, we stressed that our industry does not require financial assistance to get rental housing built.

We are continuing to lobby the federal government to restore fairness and equity toward rental housing relative to other industries that are afforded favourable tax treatment.

The Rental Housing Supply Alliance recognizes the fiscal and economic challenges facing the province today. We acknowledge that it will be particularly difficult to increase spending on new programs given existing priorities and commitments within the budget.

The ideas presented today will stimulate new construction of rental housing and unlock new revenues currently not being received by the province. Our proposals do not cost the province anything. Restoring certainty and investment confidence is crucial to the private sector.

The province has established several initiatives that have been helpful; however, additional measures are necessary, the most important being fairness, equity and certainty toward rental housing relative to other sectors.

We provided to you, members of the committee, a package with a number of slides, which I'd like to just take you through rather quickly.

On page 3, we're simply summarizing some of the goals that this government has initiated and the budget

themes from 1996 through to 2001, highlighting cutting taxes and creating jobs; investing in the future; building a better tomorrow; cutting red tape; renewing confidence and optimism; creating a foundation for prosperity; and helping communities grow.

These actions have been favourable to all Ontarians. The government's mandate has been to restore confidence in the business sector on the premise that they will reinvest capital and in turn create jobs.

In part, the development and housing industry, along with the construction unions, have responded with record sales of housing units and increased employment and economic activity. Much of this can be attributed to lower taxes and higher personal disposable income.

We would encourage the government to stay the course with respect to balanced budgets, lower taxes and less red tape and regulation.

Slide number 4 just goes through again what we feel have been the themes of provincial budgets: confidence, certainty, sound fiscal management, tax cuts, vision and leadership. These are promises that your government made and these are promises that have been kept.

On the next two pages, we wanted to stress the importance of the housing and construction industry within the economic activity of the province of Ontario. Just very briefly, you can see in 2001, in 1992 dollars, our industry, just the construction industry alone, generated over \$30 billion in economic activity. On page 6, you can see that the construction industry accounts for about 6% of the province's economic activity.

We employ some 325,000 persons, contributing upwards to 8% of the provincial GDP, and the multiplier effect of the construction industry is significant. These numbers don't include the spinoffs. We are the third-largest sector that contributes to direct jobs, and with the spinoffs, we are probably the largest sector.

Housing has been one of the foundations of growth since the government took office in 1995 and has greatly assisted recently in keeping consumer confidence high. In fact, our industry has insulated the economy from a much more serious downturn.

Slide number 7 shows the greater Toronto area as the catalyst of Ontario's population growth. You can see that in 2001, some 128,000 persons came to the GTA, 62,000 to the rest of Ontario. This is a very important number. We have over 100,000 people coming into the GTA every year. This trend is expected to remain relatively constant over the next 20 years, largely as a result of immigration.

Ontario attracts approximately 50% to 55% of Canada's immigration, and of that, for the past 6 years, this number has been rising to almost 80%.

Housing, particularly rental accommodations, will become more important, and government must consider alternative strategies than those that exist today, because the existing model of regulation and legislation is not benefiting those who wish or need rental housing accommodation.

1530

Rental housing problem: the government has typically used a stick rather than a carrot approach to rental housing with a view to solving the problem. Rent controls and over-regulation have perpetuated a lack of legislative certainty and investor confidence. In turn, a lack of new purpose-built rental housing construction has caused a low vacancy rate. Significant employment and population growth, coupled with immigration and migration, have created a significant demand for rental accommodation. Many renters across the province have insufficient income to afford adequate and suitable accommodations.

On page 9 of our handout is something you should take note of. The line that's drawn across the page is showing CMHC's estimated number of units required annually to meet demand. You can see that in 1975, with the onset of rent controls, the supply dropped significantly. Even with programs such as MURB, CRSP and others that are highlighted, you can see they still did not produce anywhere close to the amount of need and demand. The only error on here is that the Tenant Protection Act highlighted there should be 1998, not 1996 or 1997.

If you move to the next page, you'll see what's happening in the United States, where you can see that the trend is actually quite opposite to what's happening here in Ontario. I can tell you just from my own personal experience that the company I represent has just completed building over 1,000 units in the greater Orlando area. You've got many companies like ours that are active here in Ontario that are simply choosing to do business in the United States because of a much more favourable climate.

There have been myriad punitive legislative controls and the needs of the marketplace have not been accommodated. In fact, only when provincial-federal programs have intervened have the units constructed met demand. However, this is a temporary situation. The long-term solution is in everyone's best interest. Without such solutions, we will continue to see very low vacancy rates in the province's major urban centres. In the US, without rent controls, you can see again from the chart where the supply is going.

On page 11, you can see the vacancy rates. The line that runs through the chart is showing about a 2.5% vacancy rate, which many experts consider a healthy vacancy rate. You can see, starting in 1987 when they started to collect this data, where the vacancy rates have been in the province as well as the GTA. This is clearly due to a lack of private sector supply.

If I could now ask Mr Brescia to continue.

Mr Vince Brescia: Thank you, Paul. We want to walk you quickly through the remainder of the slides. It's not all bad news, and I just wanted to let you know that some of the actions the government has taken over the past few years have had a major impact on the industry and have really started to turn things around. I wanted to bring those to your attention, things like tax cuts, the repeal of

the Rental Housing Protection Act, the introduction of the Tenant Protection Act, which brought more balance to landlord-tenant relations, the allowing of condo-registered buildings to qualify for single-family property tax rates, amendments to the Municipal Act to allow bonusing for private sector developers and allow public-private partnerships with municipalities for affordable housing, a provincial sales tax program of \$2,000 a unit for new housing, and the creation of a housing supply working group to work with the industry to find solutions to the rental housing problems.

You have done a great job of turning things around. I wanted to just point you to the next two slides to give you an indication of the kind of impact you've had. Look what has happened with capital expenditures. We have an aging rental stock in this province and our industry expenditures have tripled. The industry is now spending about \$1 billion a year, which it is investing into the aging rental stock, fixing it up, fixing the balconies, the parking garages. These are investments that were badly needed but which we were not allowed to make under previous legislation. This is a major turnaround for job creation and for the maintenance of our rental stock.

If you turn to the next slide—I've printed up another version so you can have a look at it, but it has the same information—you can see what has happened with rental housing starts. If you look back a couple of years, what has been built over the last two years, you can see fewer than 500 new rental housing units built. We're certainly building a lot more right now. You can see what's happening. The projects that are going to proceed within the next two years are over 4,500, of the same people surveyed. That's an 850% increase in the supply of private sector rental housing. So I just wanted to say congratulations again for turning around the investment climate in this province. For the first time in 25 years, we are seeing unsubsidized private sector rental housing going up in cities across the province.

But this is only a smattering of what we'd like to see. It is a major turnaround, but there is much, much more, as you can see from the chart on page 14, that we need. The major barrier we have is the legislative uncertainty that our industry faces. We have people who want to invest. People like Paul, who's sitting next to me, are willing to invest in the United States where they can get legislative certainty, but here in the province of Ontario, where we're a political football and where our rental regulation is a yo-yo that has to change every time the government changes, we can't get the investment, we can't get the jobs and we can't get the housing built because we can't get any certainty from—and I point to all of you, because all of you have changed rental regulations on us. So we're missing out on jobs and investment. If we can't get any certainty, we'll send those jobs and that investment to the United States.

We just wanted to commend you for making the attempt to turn around the industry but to let you know there's a lot of interest in seeing a lot more building of housing.

Moving quickly through to the benefits of getting unsubsidized housing built, not only does it not require government funds to get our industry going, not only does it create jobs for people and put people to work and create homes for renters, which we badly need, it also creates affordable housing. We've done surveys of our own membership to find out where the tenants came from who moved into new construction. Well, they all come out of the existing rental stock. You've got the data in front of you; I'm not going to go over it. There's been a lack of a move-up market in this province, and if we can get new, unsubsidized rental housing built, we're in effect creating affordable housing without requiring any government funds.

I also want to bring some survey data to your attention. We've surveyed our members to find out why it is that they're not building more than they are. We asked those who are not even considering rental development, and the main reason is that they're afraid of future regulatory changes that are going to affect our industry. When we ask those who have actually done detailed pro formas, those pro formas are starting to look interesting and there are a lot of people interested in investing, but again, I point you to the data: 82% of people in the industry are afraid of future regulatory changes.

This is a barrier we should be able to overcome with the co-operation of all three parties. Why don't we attract the investment? Why don't we attract the jobs? Why don't we send the signal to the investors that we want them to build the buildings here? I think this is a solution we all could work toward.

Anyway, I want to pass it over to Paul, who has some closing comments for us.

Mr Mondell: Just to summarize and finalize, to wrap up, we are calling for a provincial housing strategy that builds on the policy of economic gains to date in order to maintain a positive investment climate. Market conditions have caused a renewed interest in purpose-built rental housing, and Ontario is missing out on significant new investment, job creation and tax revenue. The main barrier is fear of future legislative changes and expropriation of our investments.

We're asking, through your government, that they provide a commercial contract and/or provide a financial guarantee not triggered unless negative legislative changes are implemented. Both of these measures are of no cost to Ontarians and in fact will generate new revenues and create a much-needed rental housing supply. Thank you very much.

The Acting Chair (Mr Joseph Spina): Thank you, gentlemen. We have a little less than two minutes, so if it's all right with the other parties, we'll maybe do what we did last time and let the Liberals take that place? OK? Thank you.

1540

Mr Kwinter: I looked at your page 16 and you highlighted the fact that they don't want to invest in rental because they are worried about future changes to the regulatory environment. I think the second point is far

more critical. You had 61% who were concerned about the environment; 57%—and when you do a survey, statistically it's the same thing—are saying, "I know without even reviewing [it] that it is not financially feasible."

I'm interested to know: in the construction that is going on, you left out the key word "affordable." There are lots of people who will rent because they don't want to own, but they can afford to rent. They can afford to rent luxury apartments. I would suggest that that may be what is being built. What I want to know is, how many affordable apartments have you built? Then, of course, you have to define what is affordable.

Mr Mondell: Of course it's affordable, but I think I know what you're referring to. The units that you're generally seeing under construction would probably not be defined as affordable based on CMHC numbers etc, simply because there are too many fees and there are too many unknowns out there. Therefore the market that is starting to be served is at the higher end, where they know they can recoup a lot of their costs.

We've run a lot of numbers, Mr Kwinter, and the problem starts with federal tax issues, which we're working on in Ottawa. They deal with property tax issues, which there has been some movement on, and equally important is what's happening at the municipal level with fees, taxes, development charges and things like that.

We are trying to lobby to bring a comprehensive package of changes that come at all levels so that we will be able to start from the drafting board, conceive of a project, work through the approvals process—which can take time—the construction period and the lease-up, and know that at the end of the day, once you've finally got a revenue stream coming in, there will be a return on your investment. I think that's part of the problem.

The projects that are out there right now are certainly gearing more to the higher end of the rent spectrum, but the reason we're here and speaking to all levels of government is to try to bring some sanity, if you will, to the whole process so that we can start serving the people who need apartments that are at the more affordable level. We have said repeatedly that we will never deliver a \$600-a-month apartment. There are other things that are going to have to take place, because when you look at the time, the bricks and the block and all of those things, it becomes a very difficult exercise. It's a package that we're looking to create here.

The Acting Chair: Thank you, gentlemen. We appreciate it. That concludes our time today. We appreciate your input.

ONTARIO TEACHERS' FEDERATION

The Acting Chair: Our next group is the Ontario Teachers' Federation, if they could come forward. Please state your names for the purposes of Hansard. As you know, you have 20 minutes, which would include your presentation and any questions.

Mr Pearse Shannon: I thank you for the opportunity to be able to present to your committee today. My name

is Pearce Shannon. I'm the president of the Ontario Teachers' Federation. With me is Ruth Baumann. Ruth is one of our staff officers at OTF. We will be doing a joint presentation to you this afternoon.

The Ontario Teachers' Federation welcomes this opportunity to present its views to the standing committee on budget and finance as part of the annual pre-budget consultation process. The OTF represents 144,000 elementary and secondary teachers who work in the publicly funded schools of this province.

We want to focus on two issues today with you: first, the upcoming review of the education funding formula that was introduced in 1998; and secondly, the current shortage of qualified teachers in Ontario's schools.

A review of the student-focused funding: in 1998, the new funding model for Ontario's elementary and secondary schools came into effect. Ontario schools are now in their fifth year of operation under this new model, which is to be reviewed at the end of this year.

The past five years have created enormous pressure on the system in two ways. First, although actual dollars provided to the province's school system have increased slightly over the five-year period, the funds per pupil have dropped by almost 7% when inflation and enrolment growth are taken into account. Second, the new funding formula resulted in a major redistribution of resources among school boards, resulting in net decreases of up to 20% for some school boards and increases of more than 20% for others over that five-year period.

During the past four years, there has been a documented decline in the number of teacher librarians, music teachers and other specialist teachers in elementary schools. Guidance counsellors, special education resource teachers, curriculum consultants and school support staff have been reduced in both the elementary and the secondary schools.

The political promises that accompanied student-focused funding were adequacy, fairness and openness. As the government nears the time for its promised review of student-focused funding, there are some particular aspects of the funding model that require urgent and immediate attention:

(1) The new system is driven by a series of benchmarks—for example, the average operating cost per square foot, average teacher salary—determined in the 1996-1997 development period. With two exceptions, the benchmarks established for January 1998 have not been updated, nor have they been compared to other sectors for their reasonableness. In 2000-01, there was an adjustment to the salary benchmarks of 1.95%. In addition, there was a one-time-only payment to school boards in recognition of increased fuel prices. Allocations for school transportation have not kept pace with increases in operating costs, and technology commitments have not included provision for technological support.

(2) Funding for special education has been criticized by the Provincial Auditor because it is inadequate to meet student needs in an effective and timely way. The auditor specifically noted that school boards were spending \$95

million more on the incremental costs of special education than was provided for under the funding formula.

(3) The Provincial Auditor further noted that his staff had visited primary classes of 25 to 30 students in which 30% of the pupils were exceptional students with individual education plans. The current early literacy efforts, intended to improve test performances by grade 3 students, will have a significantly greater chance of success if accompanied by a reduction in the primary class size.

(4) Accountability requirements and funding pressures are pulling teachers with special education training and skills away from the provision of service to students in order to manage paperwork. The special education provisions of the funding model require extensive documentation for students who may be eligible for the intensive support amount, the ISA. This documentation process, combined with other accountability measures like the IEPs and a reduction in special education resource teachers, has actually reduced the availability of specialized teachers to students.

(5) Funding for textbooks and learning resources continues to be identified by students, parents and teachers as inadequate to meet the requirements of the new elementary and secondary curricula. Some schools have been charging user fees for texts and other learning materials. Following a news story last week about user fees in secondary schools, the Thames Valley District School Board announced that it was banning such user fees and would refund any fees paid during the 2001-02 school year.

1550

(6) The current funding for teacher compensation is insufficient for teaching to be an attractive career for Ontario's best and brightest young teachers. There is a serious and persistent shortage of teachers in mathematics, physics, chemistry and computer science. In 2000, the median salary for new engineering graduates in Ontario was \$46,000. Entry positions for graduates with degrees in both the provincial and federal civil service appear to have starting salaries between \$40,000 and \$50,000. Entry salaries for teachers in the Toronto area on September 1, 2000, ranged from \$32,081 to \$36,982.

(7) Funding for additional remedial assistance for students who are experiencing difficulty must be incorporated into the regular school program and budget. The first duty of the system is to these students and is to enable their success. The current funding for additional instructional assistance requires that it be provided exclusively after school and in summer school. This also means that the teachers of these programs are paid less than their regular day counterparts.

The government of Ontario must commit itself to actively engage the stakeholders and the larger community in its upcoming review of education finance. Only with a wide consultation can all of the issues and all of the consequences, whether intended or unintended, be fully understood.

Will Ontario have the teachers it needs for good schools? This is the most urgent question facing the

government of Ontario in 2002. The Ontario Teachers' Federation believes that every young person in Ontario has the right to an education of high quality, provided by qualified and professionally trained teachers. Good teaching is the best building block for better schools and the essential ingredient for student success and achievement.

In 2001, the Ministry of Education established a work group of stakeholders and ministry staff to examine the question of teacher supply and demand and to seek agreement on a provincial forecasting model. The work group has now reported and has confirmed that specific shortages continue to exist in French as a second language, mathematics, technological studies, special education and computer science. In addition there is a serious general shortage of teachers for schools in the French-language system.

All over the larger economy, recruitment and retention of high-quality employees is a high priority for industry, for business and for the public sector. During the 1990s the public sector has been under tremendous pressure in general and has experienced extensive downsizing. Across the entire economy, recruitment and retention are now becoming a serious issue. In elementary and secondary education it is reaching critical proportions faster because of the imminent retirement of almost 40% of the teaching employees. This huge wave of retirements reflects the large number of teachers hired in the late 1960s and early 1970s as the baby boom generation moved through the school system.

Shortages are currently being experienced in mathematics, physics, technological studies, computer studies, French and special education. There is growing evidence that the reserves of qualified teachers employed as occasional teachers or available to be recruited from other employment are drying up.

What are the factors that influence the recruitment and retention of professionally qualified employees in general? Salaries and benefits; working conditions that provide opportunity for the employee and the enterprise to succeed; a solid program of mentorship for new employees; opportunities and employer support for ongoing professional learning; a reliable infrastructure of support staff, technology, resources such as texts and materials; and an effective system of governance and administration of the enterprise.

In order to make career decisions, prospective teachers need to know clearly what job they are taking on, the complexity of the job, what supports are available and that the job is possible to do successfully. Without that assurance they will seek other employment.

Ms Ruth Baumann: We've said earlier that one traditional comparator for beginning teachers in Ontario, and it's one that has been used by arbitrators and others in the past that we think is particularly appropriate given the shortage of math and science teachers, is engineering. On page 4 there is a table that lays out the maximum beginning salary for a teacher in the Toronto Catholic elementary system. It's a slightly higher maximum than

that for the public system in Toronto. The two Toronto systems are pretty close to the middle, if not slightly below the middle, for the province.

You'll also see what average beginning teachers' salaries look like in New York state, Pennsylvania and Michigan, our three closest US neighbours, when converted to Canadian dollars at today's rate. Finally, on that table you will see salaries from two current ads in the Ontario public service from the Ontario government Web site that would clearly appear, from reading the details in them, to be entry positions for a social worker and a registered nurse. The teaching salaries are clearly considerably far behind. I think that's what needs to be said there.

Opportunities and employer support for ongoing professional learning have been an issue in teaching for the last several years. In 1997, the number of professional development and professional activity days for teachers was reduced from nine to four. The days that remain are almost entirely consumed by parent-teacher interviews and end-of-semester turnaround.

The funds available to support teacher professional development do not compare to those in other professions. The Education Improvement Commission and, following that, the Effective Schools Task Force, both urged that Ontario commit to spend the average expenditure on training across all sectors, which is 1.6% of payroll. In Ontario that would mean \$170 million a year, and in 2000 the amount spent was \$41 million.

Pearse has alluded to reliable infrastructure, and we have said earlier that there has been a general reduction in non-classroom supports. Specifically, there has been a reduction in the elementary and secondary curriculum leaders at the very time when we're introducing an entirely new curriculum throughout the system. Teacher librarians are down. Students are waiting to be assessed for special education programs because the number of psychologists and psychometricians is down.

In addition, though, infrastructure is the specific tools and resources to do the job, and one of the questions from the standpoint of a teacher recruit is, "Will I have access to the support and resources I need?" Most entry level jobs for university graduates in business, industry or government provide a telephone, a computer—usually part of a computer network—and reasonable access to such services as photocopying. This generally is not the case for teachers. It would not be at all uncommon for 140 teachers to share 10 telephones.

The Vice-Chair: You have approximately one minute to wind up.

Ms Baumann: OK. There are 17,000 computers allocated for teacher use, and there are 140,000 teachers.

Let me conclude by saying that we don't believe you have what is needed to attract the new teachers that are required.

I'll turn things back over to Pearse for our brief conclusion.

1600

Mr Shannon: I have on the final page listed the conclusions there for you. I will not read through them. We

have outlined what it is that we believe needs to be done in order to put the education system on a sound financial footing. I have nothing else to add, Mr Chair.

The Vice-Chair: Thank you very much for coming forward and making your presentation.

Interjection.

The Vice-Chair: The time is really up, Mr O'Toole.

Mr O'Toole: I just want to put a question on the table.

What is their position with respect to the Ontario English Catholic Teachers' Association blacklisting student teachers in the classroom? Do you support that move or not? You can reply in writing if you want.

The Vice-Chair: Possibly they can send that in writing.

Thank you again for coming forward and making your presentation.

Mr O'Toole: There'd be a shortage of teachers—

Mr Shannon: We would certainly be prepared to give you a response to that.

CANADIAN URBAN TRANSIT ASSOCIATION ONTARIO COMMUNITY TRANSPORTATION ASSOCIATION

The Vice-Chair: The next delegation we have is the Canadian Urban Transit Association and the Ontario Community Transportation Association. Welcome, and thank you for coming forward. As you begin, please state your names for the record.

Dr Michael Roschlau: Good afternoon, members of the committee. My name is Michael Roschlau. I am president and CEO of the Canadian Urban Transit Association, and with me is—

Ms Béatrice Schmied: —Béatrice Schmied, and I'm the executive director of the Ontario Community Transportation Association.

Dr Roschlau: Together, CUTA and OCTA represent the public transportation industry, in CUTA's case, across Canada; in OCTA's case, for Ontario. We've joined forces in preparing a submission to the committee for this year's pre-budget deliberations.

Across Canada, CUTA has about 120 transit system members plus private sector suppliers and manufacturers.

Ms Schmied: In OCTA's case, we have 46 municipalities that we represent in Ontario, and in those 46 there are 41 separate transportation providers.

Dr Roschlau: To start off with, on September 27 of last year, the Premier and a number of his cabinet colleagues made a major announcement with new provincial commitments to public transit. That was a very welcome return to the provincial role in funding public transportation in this province and a critical first step toward putting public transit, and public transportation in general, back on the agenda and rebuilding the industry from several years of neglect. Really, there's a lot of backlog there that needs to be dealt with.

We're also continuing to push, along with the province, the importance of a federal role in supporting public

transportation. Last week, for example, we spent a day in Ottawa talking to federal members of Parliament toward that goal.

Clearly, public transit is very important in terms of the benefits it brings: first of all, improving traffic flow and reducing congestion; second, making best use of our limited transportation infrastructure; third, improving air quality—last year I think we had a record number of smog days in southern Ontario, and a lot of that air pollution comes from automobiles; finally, helping to reduce the greenhouse gas emissions and reducing the risk of climate change in our environment.

What's missing is a dedicated revenue source for public transportation across this province—a dedicated revenue source like other provinces have and like US jurisdictions have. In the US, municipalities and regional governments, and indeed transit authorities, are able to implement a variety of taxes, be they gas taxes or sales taxes or, in some cases, even consumption taxes on other commodities. In Montreal for example, 1.5 cents a litre of the gas tax goes to the regional transportation authority. In Alberta, five cents of the provincial gas tax in Calgary and Edmonton is dedicated to those cities for transportation. In BC, nine cents of the provincial gas tax goes to the Greater Vancouver Transportation Authority, and 2.5 cents goes to the Victoria transit system, specifically for public transportation.

This is a measure whose time, I believe, has come here in Ontario as well. It's something that's popular with taxpayers because people feel a lot more comfortable about paying a tax if they know where it's going. If they know that part of their gas tax that they pay when they buy some gas is going to be reinvested in their transportation network, it gives a much stronger sense of reassurance about how that contribution is going to be used. It also allows for revenues from transportation, in particular from a more unsustainable form of transportation, ie, the private automobile, to be redirected and invested in a broadly more sustainable network that promotes better use of our infrastructure that's going to be far less polluting than continuing to push higher use of the private automobile.

Ms Schmied: We've been hearing a lot about smart growth here in the province lately, and the tenets of smart growth, according to our current government, are a strong economy, strong communities and a healthy environment. But can our cities compete in the world economy and against US cities if we have gridlock? How will we get movement of goods out thoroughly, quickly and efficiently without a strong transit-supportive mechanism that will help get rid of much of the gridlock that we currently have?

In the sense of strong communities, when we're looking for quality of life, choice, access and mobility, those people who are transit-dependent and have no other option to get out are in danger of becoming ill or more ill both mentally, psychologically and physically, and that has a cost associated with it too, a rather large one.

Finally, we want a healthy environment. Michael's talked a little bit about air quality already and smog con-

trol. We all know asthma has been rising among children, especially in the greater municipal areas. Getting more people onto public transit systems and reducing the number of cars on the road has obvious positive impacts to our air quality and our general state of environment.

Dr Roschlau: Clearly the whole concept of strong communities means a high quality of life. It means choice between different modes of transportation. Right now, most of our communities don't really have an effective choice because if they have a bus service at all, they have a bus service that runs every half hour or every hour. You can't effectively say that people have a choice when they're at a 10-minute walking distance from a route that runs every hour.

Ms Schmied: Or their areas aren't served at all.

Dr Roschlau: That's right.

In terms of our cities being able to compete with our counterparts, be they Vancouver, Calgary or Montreal, or be they in the US—Baltimore, Cleveland, Chicago, San Francisco—they have this type of sustained funding and have a much stronger presence in terms of their state and federal governments than we do up here.

The public transportation industry has made major progress in the last number of years but still faces some huge challenges. Transit ridership in this province is at an all-time high, surpassing the 700-million mark in 2001. However, we're facing an infrastructure that has deteriorated a lot in the last number of years. The average age of the bus fleet in our communities across this province is about 13 years. Think about that for a minute. The average bus is 13 years old; in the US they throw them away after 12. Those are the same vehicles built by the same manufacturers, many of whom are here; Orion, for example, in Mississauga next door. Eighty per cent of their production goes to the United States. But they're built to a standard that's based on a 12-year life because of the US specifications that have been set up based on the US funding rules. We buy those same buses and we try and get 20-plus years out of them.

You can imagine what the standard is that's out there now. Most of these vehicles are not accessible right now and they don't have the cleanest engines in them, because they're 20-plus years old. In fact many of our systems in this province are buying second-hand vehicles from the US that were built in Canada 12 to 15 years ago and are retrofitting them, updating them a little bit and trying to get another six or eight years out of them.

Ms Schmied: We have 27-year-old buses running out there, and in some municipalities half the fleet is over 20 years old.

1610

Dr Roschlau: In terms of operating costs—getting back to the provincial commitment that was made last September, which is going to make a dent in that, and we're grateful for that—as the industry expands and as the service expands, it's going to be expanding at the margin and it's going to be expanding into areas that perhaps right now aren't all that well served by transit, areas that have a lower population density. In order to

make those inroads, it's going to be more costly from an operating perspective than it is right now.

Public transit in Ontario currently recovers about 76% of all its operating costs directly from the fares. That's the highest ratio of user-pay in the western world.

Mr Christopherson: Sorry, what was that again?

Dr Roschlau: Seventy-six per cent of operating costs are coming directly from user fares. There's no place else in North American or western Europe that's higher than that. That isn't sustainable. As public transit grows and as we move out into areas that are less dense, expanding at the margins means that your vehicles are going to be less full. That figure is going to have to drop and somehow the municipalities, hopefully in concert with the province, are going to have to pick up a larger share of that total operating cost.

In terms of infrastructure, the five-year needs, based on very conservative growth, are about \$5.4 billion. In order to make a difference, more aggressive investment will be required, covering not only the capital costs but also giving our municipalities an opportunity to invest some of the provincial share in operating costs as well.

Ms Schmied: When we talk about public transit, we often just think about the regular 40-foot bus that runs along and we forget about the paratransit side, those vehicles that go door to door with specialized services for people with mobility problems and other physical problems who are unable to take the conventional systems, either for the full year or at least in certain seasons of the year. The specialized systems, or the portions of those systems that are specialized, have particularly tough challenges facing them. The demographics alone, the aging population, indicate that more and more people are boarding or wanting to board those types of services.

With the rapid demand in growth, more than half of the systems in the province now are looking at actually tightening their eligibility criteria to allow people on to the paratransit service. It's the last thing they want to do, but they're forced to do it because they cannot cope with the demand upon their services.

If you add to that the fact that dialysis treatments in the province have been increasing on an average of about 15% and then you look at the fact that hospitals, with their restructuring and downloading, have caused dialysis trips, on average, to double in some cases—in one municipality in the province, from 1999 to 2000, dialysis trips increased by 700% because of the restructuring of the hospitals. That means every time that you prioritize a trip, if you do prioritize a trip by dialysis or by medical purposes over another paratransit trip, you are throwing someone else off the system. So now you're starting to lose that quality of life again. Mr and Mrs Smith who wanted to go to the arena or go shopping or go visit a friend may have to wait days or even weeks before they can make that trip because of the priorities placed on medical trips. So the strain is intense.

One thing that would definitely help, beyond the 3% gas tax, is if we looked at those medical trips as medically related and looked at Ministry of Health

funding for some of those trips. Right now, for example, if you leave hospital on a non-emergency trip and you're taken back by ambulance somewhere, that trip can cost up to \$300. The same trip by a paratransit service will cost you \$25 to \$30. So it's an immense amount of money that we're spending ineffectively.

Dr Roschlau: To sum up and to allow for a few minutes of questions at the end, you have a detailed submission of ours which includes many of the figures that we've quoted, plus more. There are four basic recommendations that we bring to the committee this afternoon, the first of which is for a follow-through and continuation on the 10-year commitment that was made by the government last September; secondly, to supplement that with a dedicated urban gas tax to municipalities that would be specifically allocated to public transportation and that that level be set at three cents a litre out of the 14.7 cents that's currently levied by the province on gasoline sold in the province; and finally, that municipalities have the flexibility to allocate that three cents a litre from their areas for either operating or capital costs of public transportation. That would include both conventional as well as specialized transportation in their communities.

Thank you very much. That concludes our presentation this afternoon. We'd be more than happy to address any questions.

The Vice-Chair: We have one minute per caucus, starting with Mr Christopherson.

Mr Christopherson: Thank you for your presentation. I agree with you, whether your concern is from the citizen point of view, from a medical need point of view, from the environmental point of view and—if we could just get this one through to the government—from an economic point of view in terms of the future of our communities, that this is going to continue to be a larger and larger issue. I have some feel for it from back when I was on Hamilton city council in the 1980s dealing with some of these things. All I see now is the problems being exacerbated from what they were then, and they were bad then.

The government probably is going to roll their eyeballs or make some other dramatic gesture at the amount of money you're asking, saying, "The teachers have been here earlier and the hospitals have been here earlier." We see one of the members of the committee nodding his head up and down, agreeing that's how they feel about it.

Personally, every time somebody rolls in here and says, "We need hundreds of millions or billions of dollars to fix things," to me, it's just an indictment of this government's time in office that has led to our being in such a crisis that every area needs so much money. So it really depends on how you want to look at it.

I want to focus a bit on the disabled units. In Hamilton it's DARTS, and you're probably familiar with it. When you describe the eligibility criteria tightening, I've got senior constituents and disabled people in my riding lined up a block long to complain about that very issue.

My question to you will be this: do you think local transit authorities are planning adequately for the aging

boomers and for the demand? If your answer is no, and I suspect it is, it's not because they don't want to, is my sense, and I'd like your comments. My sense is, because they are so busy dealing with the day-to-day crisis, that they don't have the time or the means or any expectation that their needs will be met if they try to plan beyond just the immediate crisis of every day.

The Vice-Chair: We're going to move to the government caucus.

Mr Bart Maves (Niagara Falls): Thanks, Chair. Just quickly, who are your members of CUTA?

Dr Roschlau: The CUTA membership consists of several categories. First of all, we have the public transit authorities themselves; second, we have the manufacturers and suppliers that provide the industry with the vehicles and supplies, services and products; and third, we have government agencies that support and are involved in public transportation.

Ms Schmied: OCTA is the same, only provincially instead of federally.

Mr Maves: In one of your reports you mention, "The United States federal government provides assistance to states and municipalities through a multi-year transit investment program worth up to US\$7 billion per year." You've also said that the federal government should then give \$750 million per year. Is your \$750 million based on our being 10% of the population of the US or is it some other formula?

Dr Roschlau: No. Our recommendation for the federal government here in Canada is based on our own infrastructure needs survey that has been done with input from the transit systems and communities across Canada.

The Vice-Chair: Mr Kwinter.

Mr Kwinter: I was interested to see your comments about the increase in ridership and that in Ontario it has risen nearly 20%. I'm just talking about Toronto, but I assume this is reflected throughout the province. The fares are going up, and usually the argument you get from people is, "If you raise the fares, you're going to cut the ridership." Fares are going up and the ridership is going up. What's creating that situation?

Dr Roschlau: That's a very good question. The fares are going up but the ridership is also going up because the population is going up. While the ridership is going up, it's barely keeping pace with population growth, especially here in Ontario where our population has grown, and a lot of it is in Toronto and the GTA. It's going up partly for that reason, and partly I think too because people are becoming increasingly frustrated with what it takes to drive these days, the difficulties and costs associated with driving and parking, which are the key determinants of mode choice for people commuting and travelling to and from work.

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One of the issues, however, is that our systems are bursting at the seams. The subway is packed at Bloor and Yonge southbound in the morning. I think it's just about at capacity now. The parking lots at GO train stations are full at 7 a.m. The buses, even in some of the smaller

communities like London, Hamilton and Ottawa, are full to the point where they can't accommodate new riders.

So we're fortunate in that our ridership has been pushing up gradually for the last five or six years, but I think the industry very much is reaching a breaking point.

The Vice-Chair: Thank you. We appreciate your coming forward and making your presentation.

TORONTO BOARD OF TRADE

The Vice-Chair: Our next delegation is the Toronto Board of Trade. Welcome.

Ms Elyse Allan: Hi, how are you?

The Vice-Chair: Very well. Twenty minutes have been set aside for you. What is not used in your presentation will be divided equally among the three caucuses. Please start by stating your names for the record.

Ms Allan: Elyse Allan, Toronto Board of Trade. With me is Terri Lohnes, our senior economist.

Good afternoon. Thank you for the opportunity to be here. We appreciate the opportunity to speak to our priorities for the 2002 Ontario budget. We will be making a more formal written submission to the committee shortly.

We are pleased to be here today representing Toronto's business community. The Toronto Board of Trade represents all sizes of businesses from all segments across the economy. Our presentation today will provide the committee with an overview of what we believe the province must do in its next and subsequent budgets. We acknowledge that this upcoming fiscal year presents significant challenges. We believe the government can set out a plan of action that meets the needs of Ontarians and deals with these challenges.

First, I would like to provide the committee with some results from a recent member survey that point to optimism over the next year in terms of Ontario's economy. We surveyed our entire membership in December, and just to remind you, our membership is over 9,000 and represents a broad cross-section of business segments and sizes, very reflective, actually, of Toronto's business mix and reality.

In this survey we asked members their expectations for the local, provincial and national economies. Close to 70% of the respondents expect that the economy will be performing better in a year's time. This position is reflected in our members' opinions about their companies' revenues as well. Close to three quarters of the respondents told us that they expect to see their company's revenues increase during the next year.

Our members are bullish on the economy over the course of the next year, and this growing optimism should bode well for Ontario's economic recovery. This optimism for the future, however, does not minimize the challenges immediately before the province in setting out the fiscal priorities for the next year. It also does not minimize the challenges of setting out a longer-term plan for prosperity for Ontario.

The Toronto Board of Trade believes strongly that this budget must be viewed as the beginning of the new long-term strategy for stimulating growth in Ontario, in part due to current fiscal constraints and in part because the priorities of our board of trade require both immediate and long-term commitments to be successful.

In previous years the Toronto board has been before this committee urging the province to undertake actions to strengthen urban regions, in particular Toronto. We believe now, more than ever, that this must be done.

The economic region of Toronto is Ontario's main generator of wealth. It is the province's most important asset. This asset, and the revenues it generates, has provided the province with the ability to deliver on its priorities in the past. The wealth created in our region contributes significantly to the success of the entire province. This vital interdependency can no longer be ignored. Like any asset, its productive capability will erode without reinvestment to keep it primed.

Toronto's ability to keep contributing to Ontario's growth is at risk. This is a reality that is evident all around us. From crumbling infrastructure to urban sprawl and increasing homelessness, it is clear that our city, our region, is in decline. If it continues to decline, the prospects for future prosperity for our province decline with it.

I am here today to urge the province to deliver a long-term strategy to revive Toronto. This strategy must provide a framework for investment and reform to maximize Toronto's wealth creation potential. An investment in Toronto is a strategy that will pay off for Ontario.

We've heard a lot of discussion over the past few months of the need for a new deal for Toronto, a new deal that would forge a strategic partnership between senior governments and our city. The premise of this new deal is quite simple: invest in your greatest asset and you will generate a strong return.

We recognize that this calls for expenditures during a time when the province is facing significant budget constraints, but that is why we are calling for a multi-year plan, a long-term strategy, and a balanced investment goal. We know you can't do it all in one year, nor do we want you to. We also believe that to succeed, at least in the short term, this strategy must be focused specifically on investment in infrastructure.

Mr Chairman, above all else our members have told us strongly that in order for their businesses to succeed, in order for them to generate tax revenues, jobs and investment, they need a solid physical infrastructure system.

Our CEO survey on urban competitiveness ranked infrastructure and taxes as top priorities, another telling indication of what business needs to be competitive, to contribute to Ontario's economic recovery. We know this is their priority; it also must be yours. We believe investment in Toronto's infrastructure will bring the province its desired economic return. It will not only retain existing businesses and grow their bottom lines, but it will attract new business—vital investments needed to spur

on our economy. Quite simply, Toronto needs provincial action, and we believe that action must be in infrastructure that contributes to our economic competitiveness.

The Toronto Board of Trade has identified two critical areas for action. Both are intrinsically linked to Toronto's ability to keep generating wealth and to keep contributing to the provincial purse.

The first crucial infrastructure factor relates to an area I'm sure we can all identify with: transportation. Transportation issues have come out as the top business concern within infrastructure in the surveys that we've done to date. Whether it's congestion on our numerous roadways or the inadequacy of our public transit systems, every day we are confronted with the fact that our transportation system is in a state of disrepair. Again, this is an area for action that cannot be solved in one fiscal year. It must be addressed within a long-term strategy for growth.

The board believes there are two clear areas for provincial action: transportation governance and transportation finance. With the demise of the Greater Toronto Services Board, the GTA has lacked any true governance model for transportation. A vacuum now exists in terms of direction, planning and coordination of transportation infrastructure at a time when the region is under serious growth and service delivery pressures.

We believe the recently announced Smart Growth panel is not the appropriate vehicle through which to legitimately establish an effective transportation governance plan that meets the needs of the city of Toronto and the GTA. It is too far-reaching both in geography and in its scope. Toronto needs a governance model dedicated to transportation infrastructure, and it needs provincial action to make this happen.

The flip side of the governance challenge is the fiscal challenge. Provincial investments made to date in transportation infrastructure, including those into GO Transit and the TTC, were applauded by business. It recognized the importance of transportation to provincial growth, that investment in transit is just that—an investment that will reap returns. These initial investments must be part of a broader plan to rebuild our regional transportation system with a focus firmly on the specific needs of transit.

It is clear that municipalities—Toronto specifically—cannot afford to fund both renewal and expansion on the backs of property taxpayers. Municipalities need financing flexibility. They need a provincial partner.

A significant part of the consultation on reform of the Municipal Act focused on municipal financing flexibility. While the new act is now in place, we continue to await the regulations that will actually outline the types of financial capabilities that municipalities will be afforded.

The ability to form municipal corporations, undertake sale and lease-back financing and structure innovative financing arrangements are all crucial. This will provide municipalities with greater leeway to partner with both public and private entities to meet their local trans-

portation needs. But we must also look at other revenue sources to support public transit in particular. A lot of attention has been focused recently on allocating a percentage of gas tax revenues to support transit, and the board of trade believes this is a credible option for the province. It will provide stable, long-term funding for transit.

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Last summer, the board of trade released a strategy for rail-based transit in the GTA. I have brought copies with me today and I would ask that this committee consider the recommendations contained within. I've talked a lot today about the need for long-term goals, and this strategy we have put forward certainly meets that need.

It is not just the provincial government that must be involved in renewing transportation infrastructure. Ottawa must also be at the table, and we continue to work for Toronto to get federal commitments. We believe both governments must invest in Toronto, as both reap substantial net benefits from their investments.

We have begun to take small steps forward on our waterfront, an initiative highly valued by the business community. We welcome the \$500-million commitment by the government. This commitment must be fully realized and must flow in a timely manner. Moreover, in order to ensure this initial commitment is maximized, the province must step up its leadership role on our waterfront and clearly articulate a long-term commitment to support the revitalization. We need a provincial champion for the waterfront to continue the momentum already building. We need provincial action to maintain the private sector interest.

We have made a similar call to your federal counterparts. We recognize that to be successful, the waterfront project must have the commitment of all levels of government. We will continue to work aggressively with Ottawa to ensure the actions are maximized in tandem.

The province must facilitate stronger private sector involvement in SuperBuild targeted on the waterfront projects. SuperBuild must take on the waterfront as a priority.

The benefits of action are clear: jobs, investment and urban renewal. Opportunities for affordable housing, environmental cleanup, tourism infrastructure—all of these abound. These are the positive returns on investment that this government needs to establish a path to future economic growth.

In closing, I want to touch on one other area: taxes. We urge you to protect the gains already made. Business requires predictability in this area in order to make investment decisions. Do not backtrack. The government must maintain the property tax caps. This is clearly an area where predictability is needed. It is also an area that continues to require reform in Toronto. At a minimum, the situation in Toronto must not be allowed to worsen for business. Our survey has indicated that 56% of businesses would consider leaving if faced with significant property tax hikes, up from 52% just a year ago.

But in the spirit of long-term planning, I do want to raise one other tax issue, and that is the issue of capital taxes. I sat on the provincial Business Tax Review Panel that heard consistently from businesses—small, medium and large—that this was the top impediment to investment in this province. We are one of the only regions in the G7 to apply this profit-insensitive tax, and we must begin to dismantle it. The board appreciates that eliminating capital taxes is a costly recommendation, but leaving them in place is more costly to the economy. We believe that announcing the intention to eliminate the capital tax will have a dramatic effect on business investment in Ontario. We urge this committee to recommend that the government announce its plan to eliminate the capital tax beginning in the next budget.

By setting out a fiscal plan that covers more than the immediate horizon, we believe the province can meet its budget challenges and grow Ontario's economy. The Toronto Board of Trade asks you to plan for the future by investing to meet our collective goals.

Thank you for your time.

The Vice-Chair: Thank you very much. We have about a minute per caucus. I believe Mr Maves asked first.

Mr Maves: Thank you, Chair. I appreciate that.

In your survey, you said that transportation issues had come out as the top business concern with infrastructure. What were number 2 and number 3?

Ms Allan: Actually, it was taxes and infrastructure. So infrastructure and taxes came virtually head on head. Infrastructure was a little bit higher, but I think statistically they came out equal. And third was economy?

Ms Terri Lohnes: Economy. Within infrastructure was road congestion and public transit.

Mr Maves: OK.

The recommendation to invest more in transit: the opposition would probably agree with you and would have us increase taxes to get the money to do this. From the rest of your submission beyond this point, I think you would disagree with that. Where would you have us find the money for this increased investment in transportation? Would we hold back on health expenditures, or is there some other way you would suggest that we could find the revenues for this?

Ms Allan: I think it comes to reallocation. You have certainly made a commitment to transportation, which we acknowledge and appreciate. I think that's been well received. I think there is an opportunity to create structures that allow you, quite honestly, to tap into private sector capital. There continues to be an incredible amount of private sector capital out there. The vehicles have really not yet been put in place sufficiently to tap into it as much as I think it is available. I think we've made a good start with SuperBuild, but we would encourage you to continue down that path of public-private partnerships more aggressively. As I specifically commented, we do think you should be taking a percentage of the gas taxes, or consider that as one option, and simply allocating that as a sustainable financing form, not a new tax.

Mr Maves: Would that supplant the \$300 million or complement?

Ms Allan: Sorry. I didn't hear—

The Vice-Chair: We're going to have to move on. Thank you for your very precise questions, Mr Maves.

Mr Phillips: The challenge, the minister was saying the other day, is that they've got a \$3-billion to \$5-billion gap. TD Bank said we have a structural problem; we've got a problem going forward on significant deficits in the province. The private-public sector partnership stuff is great, but frankly it's just a different way of borrowing money. If you look at what we've done with the 407, users are paying rip-off rates. They're paying at least double what they should be paying on that little private-public sector deal, with no controls at all. There's no magic with the private-public sector partnership. They're in business to make money. It's just a different way of funding.

But I'll go back to Mr Maves's question, and that is that you've indicated a significant need for investment in infrastructure. The reallocation of funds, by the way, as you look at the budget, is basically health care, education, policing, courts and that's about it. So there's not a lot of reallocation available. I gather your first priority on taxes is to eliminate the capital tax. Would you put that at a higher priority than having corporate income tax rates 25% lower than our competitors? Is elimination of the capital tax a higher priority than getting corporate income tax rates to 25% below the US?

Ms Allan: I think our sense has been that the corporate tax rate needed to be competitive, and that previously we were not even in the ballpark. Certainly, given the thrusts the US economy has been having with respect to taxes and the tax rates of our immediate competitors, the direction that has been announced now puts us in a competitive position with respect to corporate taxes. So I don't think we can, nor should we, backtrack on what has been announced and legislated. We think it's very important that we stay the course, because of the credibility with that. On the other hand, the capital tax continues to be very profit insensitive, and it is considered a very non-competitive tax for us.

The Vice-Chair: We'll move on to Mr Christopherson.

Mr Christopherson: Thank you for your presentation. Quoting from your document, you say, "It recognized the importance of transportation to provincial growth. That investment in transit is just that—an investment that will reap returns." You also say, "Every day we are confronted with the fact that our transportation system is in a state of disrepair." On page 2: "From crumbling infrastructure, to urban sprawl and increasing homelessness, it is clear that our city—our region—is in decline. And if it continues to decline, the prospects for future prosperity for our province decline with it."

As the NDP finance critic, I could make every one of those statements myself and stand behind them, so I'm pleased that you made them. But help me understand: that kind of decline doesn't happen overnight or in just

one economic downturn, like in the last eight or 10 months. It's happened primarily over the period of time since this government came into power with the biggest economic boom we've ever seen in North America from 1995 on. They made tax cuts the priority, but in order to pay for those tax cuts, they cut the very programs and services that deal very directly with what you're talking about here, particularly in the area of homelessness and transportation.

So isn't there an argument, based on your own presentation, that the tax cuts were premature at the very least, that they should have been held off until we made those investments so that we didn't have this decline in our infrastructure and then, after the fact, if we want to have that debate about where to spend surplus money, do so? Didn't they get it backwards?

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Ms Allan: I would comment that certainly we support the tax cuts that have taken place to date, that we couldn't be enjoying right now—we have the challenges of success in the sense that we have one of the fastest—

Mr Christopherson: I'm sorry, but those homeless people aren't enjoying any success.

The Vice-Chair: Thank you very much for coming forward and making your presentation. We appreciate it very much.

ONTARIO FEDERATION OF AGRICULTURE

The Vice-Chair: Our next delegation is the Ontario Federation of Agriculture. Welcome. We look forward to your presentation. Twenty minutes have been set aside for you. Following your presentation, any remaining time will be divided equally among the three caucuses. As you begin, please state your name for the record.

Mr Bill Mailloux: Thank you very much. I'm Bill Mailloux, vice-president of the Ontario Federation of Agriculture. This is Ted Cowan, policy adviser with our staff. We have a couple in the crowd there as well.

I'd like to thank you, first of all, for the time here. I apologize if I sound a little stuffed up. We were at the CFA annual meeting in Halifax, and not only did we share ideas with one another across Canada, we also shared some flu bugs and cold bugs, so I'm stuck with that today. I won't go word for word through the brief; you have a copy of it. We'll go for questions after as well, but we'll just roughly go through it.

The Ontario Federation of Agriculture represents 13,000 Ontario farmers and we're pleased to be able to make a presentation today to give you ideas on how we feel we can grow in agriculture and the benefits to the province.

Farming and food processing are Ontario's second-largest industry; the two work together. Ontario farmers provide top-quality food at reasonable prices, which underpins the processing sector. Ontario residents, as you know, pay a smaller fraction of their incomes for food than people in any other part of the Western world.

Ontario's low food costs keep industrial wages reasonable and build Ontario's competitive position. There has never been a prosperous, growing society, with flourishing health care, education, science and arts, that depended on others for its food.

Today, Ontario depends on its farmers not just to supply food but to maintain the largest part of the land base in private control. The beauty of Ontario's landscape depends on Ontario's farmers. Food, water, landscape and over 650,000 jobs—and I think that's an important number; it's 11% of Ontario's jobs—rest on the abilities of Ontario's farmers to compete and to meet their obligations for the land and in the markets.

Farming has always been and is today a major source of new investment and jobs in Ontario. Farming is a positive force sustaining Ontario's environment. Recent studies show that productivity growth in Ontario farming has matched or beaten the rest of the economy.

The OFA has put together the following recommendations, knowing that our work with government has succeeded in building the agriculture industry in Ontario in the past. These requests and recommendations are intended to enhance Ontario farmers' ability to compete and meet our obligations to provide quality food, while meeting our obligations to sustain those parts of the environment that we own, use and work as the stewards for, on behalf of all Ontario. We are taking a long-term view of markets, farm families and the environment because Ontario's farmers have always taken a long-term view in order to meet any possible challenges down the road.

So we have some recommendations that we'd like you to consider. First of all, some tax measures—and Mr O'Toole will be familiar with this, as I sit on the small business advisory committee that he chairs and we've raised this issue there as well. We advocate the removal of the retail sales tax on farm trucks and their parts. The current RST charges amount to an 8% tax on net farm income, which most other Canadian farmers do not have to pay. Removing that tax would put Ontario farmers on the same footing as farmers in Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Alberta.

This measure could be brought in on a trial basis, in the same way that the removal of the RST on farm building materials came about in the past. We agree that this measure might apply only to the first \$35,000 of the vehicle purchase price. We've discussed this for a number of years, and it's been clear that the intent is not to tax food in this province. That's always been our policy and the government's policy, so we feel some of these are slipping through the cracks, then, because it does tax our inputs on food production. This measure would save Ontario farmers roughly \$20 million a year.

The RST is a tax on an input to production and therefore an indirect tax, which is beyond the domain of the province. I guess that's kind of repeating it. The retail sales tax savings will help build Ontario's farm sector. It provides equity, improves incomes and allows for increased investment. We ask that starting in 2002 there be budget measures to remove the RST from farm vehicles, their parts and repairs.

On that same issue, farm business registration cards should be recognized as proof of being a farmer for a purchase exemption for farm-use purchases. This would simplify the process for farmers, retailers and government auditors. As I mentioned, the province's small business advisory council has spoken positively to this, and we're going to continue working there with that group.

The OFA has advanced this policy recommendation regularly since 1999. We believe that simplification was promised in the May 2000 budget, but it just hasn't been delivered to our liking, and we would like you to consider that as a recommendation. The OFA has put forward a detailed process to the small business advisory committee and would like that to be considered here as well. So the OFA asks that the ministry renew its earlier commitment to simplification in the coming budget and move ahead with this program in 2002.

To move on to the issue of the land transfer tax, we're asking that farms transferred in a family be free of the land transfer tax. Currently, if you transfer land from one person into a corporation, the land transfer tax is not applicable. We believe the same privilege should extend to transfers within a family. These transfers occur when a new generation is taking over the farm, and the tax is paid by the buyer. One of the problems we have with that is that in many cases, it is the young farmer starting out who has that tax burden of the land transfer tax at a time when he's probably most vulnerable in setting up the business. So we believe that would be a great benefit for young farmers and in helping us in our goal to try and lower the age of the average farmer in Ontario. This would certainly help starting farmers.

There are about 4,000 to 5,000 farm property sales per year. This measure could affect about 2,000 farm transfers per year, for a total of less than \$5 million, and it would be very beneficial, as I said, to start-up farms.

Under the provincial Income Tax Act, we have four requests on that on which we would like some consideration. Some address equitable or proper treatment of people, while others affect farm incomes and the business climate for Ontario's farms. The OFA asks that the Ontario portion of income tax be changed to reflect the following.

The first one is the child care allowance. The child care allowance is currently only available to two-income farm families. On single-income farms, and likely in other family businesses as well, infants and young children are taken to work because there is no tax provision for child care. Accordingly, we ask that the child care allowance be made available to single-income families as a non-refundable credit. We feel this is a matter of equity and safety. It may affect about 5,000 farm families, those with young children and only one income. It would involve less than \$800 each, for a total of about \$4 million in the farming community. It may sound small, but again, when a young farmer is starting out and has a young family, it certainly would be something that would help.

We would also like you to consider credits for conservation. OFA has asked that formerly designated con-

servation lands entitle the owner to a tax credit of \$100 per acre. This would share the cost of conservation among all taxpayers in the province, and help redress the owner for costs of lost production, extra fencing and other conservation-related costs.

1650

This proposal would compensate owners for the net income loss as a result of not upgrading the lands to slightly more intensive use, and it would help pay for fencing and other conservation-related costs. It's a way that we can assist farmers when they're asked to set some land aside, that they get compensated for their loss of income in that; and it could be done as a tax credit.

Another issue is capital cost allowance rates. OFA asks that capital cost allowance rates for farm equipment and buildings be reviewed as these rates have not been adjusted in many years. Farming has changed and the rates and classes are obsolete in many cases. It's simply that a review is required, we feel, to bring it up to speed as far as inflation goes.

Restricted farm loss provision: OFA has asked that the \$8,750 provision for restricted farm losses be adjusted upwards to reflect the inflation of the past 13 years since that was last adjusted. Again, many years have gone by since the allowable losses for part-time farms have been adjusted. The rate should be updated for inflation and moved ahead of that to allow for the fact that it will be some time before it is revisited again. Again, this is something that can help start-up farmers. Many of our farmers who are just starting in have off-farm jobs and this is something that would help update it to more reflect the current situation and, like I said, inflation.

A few other items: we've always been working on property tax assessment measures. We've asked that the study proposed by the OFA to MPP Marcel Beaubien's task force on property tax assessment be initiated. OFA has proposed the use of crop insurance information as a basis for farmland assessment. This would be consistent with the Assessment Act and effectively remove speculative values from assessment.

The current problem we have is that we've always based it on the idea—and it's always been government policy and ours—that property taxes should be based on productive value. In the past we've always used farmer-to-farmer sales as a reasonable way to come to productive value. Currently we have many other things that are effecting the price of land, whether it be outside interests buying the farmland, and there are very few—Ted, you probably remember the number—farmer-to-farmer sales in many of the counties, so it's not truly reflecting value of production. We're asking for another way to come up with the value of production. We're not asking that the total tax bill change, just that it be more fair and equitable across the province.

Mr Ted Cowan: The number of farm transfers is about 4,000 to 5,000 a year, but the Municipal Property Assessment Corp only qualifies about 1,500 transfers for the purposes of farmland assessment. That's about 30 per county. If you have eight or 10 different kinds of farms in

a county, that's two or three per kind of farm. It's no basis for sending somebody a bill for \$2,000, \$3,000 or \$4,000. It's statistically inadequate.

Crop insurance: there are 23,000 farms with crop insurance every year, covering more than just their 23,000 farms—it's the home farm—almost a third of the farmers with crop insurance. That information is available in many instances going back 10, 15 or 20 years, so you have a strong, statistically rigorous basis where the information is related to productivity and doesn't include the fact that it may or may not be eligible for a subdivision, a mall or whatever. It's just a better way of doing it.

Mr Mailloux: So it's just a way—yes, exactly—to get back to true value of production.

The Vice-Chair: OK, thank you very much.

Mr Mailloux: I have just a couple of other items, if you'd let me touch on them, that are very important to farmers. Certainly you're probably all aware that farm income support programs are important to Ontario farmers in times when prices decline or if it's weather-related, and we've been working very hard with the Ministry of Agriculture to come up with a made-in-Ontario safety net program. Our goal is to get programs that are good enough in Ontario to do a real job of putting financial stability in agriculture and move away from the ad hoc nature of payments. So we would ask that you consider that when you're making recommendations. Not to get into detail on that, but it is very important to farmers.

We believe that there should be public spending to build Ontario agriculture in different areas. Certainly food inspection is important to agriculture and all consumers, and we feel that when we're making changes in that area we need the Ontario government to continue to invest in food inspection. We want to move along with any upgrades that are recommended that make consumers more comfortable, but certainly there's usually capital needed to do that.

Research is one that's very important to us. We would ask that you consider continuing to invest in agriculture research. We believe there are benefits for all of society in that. Currently there's been a bit of a decline in research, whether it's at the University of Guelph or elsewhere. So we're asking that you increase those levels of spending. It has been reduced from \$55 million in the province to about \$51 million and we would like to see that not only brought back to the \$55 million but increased. We believe, and facts floated around in the past, that when you invest in research it pays society back. We believe that's a good investment.

Also, the environment issues certainly have been highlighted in the province and, as you know, OFA has been working hard and pushing to get nutrient management legislation passed. Part of that is that we're willing to continue on with programs such as environmental farm plans and pesticide registration and training of farmers in Ontario. We've been good stewards of the land and responsible in those areas of the environment, but cer-

tainly as the concerns and the expectations and requirements rise, we would fully expect that the provincial government would see the importance of investing in agriculture issues to improve environmental status on farms across the province. We believe that farmers are willing to do a lot of that, but need the capital to be able to make some changes when required.

I'm going to leave it at that. I hope that you look over the brief on your own, and if you need more detail, certainly we can provide it to you. We're open for questions now, and if they get real technical, that's when they go to Ted.

Mr Cowan: There's one error that is owing to me. In the text, with respect to the child care allowance, it said 10,000 families and \$8 million. In fact, that is all the families with children, but many of those have two incomes and are already eligible, so our estimate is approximately half; therefore, 5,000 families and \$4 million.

The Vice-Chair: We have about a minute and a half left and the NDP hasn't had an opportunity for a single round, so we'll turn to them on this round.

Mr Christopherson: Thank you for your presentation. I enjoyed it, as always. With the new city of Hamilton, agriculture is now a big part of the local economy. Where it was at the regional level, it's now not anything that any former old city of Hamilton resident can say is not their concern. So these issues are all important to the people in my riding, as they are in many other parts of the province.

I want to focus on the food inspection. You refer to the Provincial Auditor's condemnation of the government program, or lack thereof, of inspecting food services. You put special emphasis on the food processing inspection and say that the level of vigilance needs to be greatly enhanced. Could you just expand a little bit? What is the situation on the ground, as you now experience it, and what specifically do we need to see the government doing to address something that is just as much a health and safety issue as the number of police officers on our streets?

Mr Cowan: The number of individual inspectors on staff has been greatly reduced. Many of those people have been kept on a contractual basis, but the total manpower is substantially reduced. As a result, the number of plant inspections is greatly reduced.

Another problem that may exist is that it's on a cost-recovery basis. We simply believe that the cost of inspection produces benefits for the public at large, as well as for the producers. Perhaps the public at large should be paying. The cost-recovery basis perhaps discourages compliance and the notification of when the plant will be open. I think it may create more problems than the revenue it raises is worth and that we could see some growth in those businesses without that cost. The cost of the inspector is roughly the cost of two employees. Hence, put it back on the people who benefit and away from the industry itself.

Mr Mailloux: On-farm food safety programs and trace-back programs are becoming more and more used

in Ontario and nationally, and we believe that when there are capital requirements to meet some of those standards society is now putting on us it's a good place for government to invest as well.

The Vice-Chair: Thank you very much. We appreciate your presentation and coming forward.

My understanding is there is no representative from our next delegation, Low Income Families Together, here at this time. Therefore, the committee stands recessed until 5:20 or until the next delegation appears, whichever comes first.

The committee recessed from 1701 to 1715.

COALITION FOR THE ELIMINATION OF CAPITAL TAXES

The Vice-Chair: We are missing a delegation, but if the next delegation, the Coalition for the Elimination of Capital Taxes, would like to come up to the table, we'll get rolling shortly.

Do you know if Mr Phillips will be down with us shortly?

Interjection: He's gone.

The Vice-Chair: OK.

Welcome to the Coalition for the Elimination of Capital Taxes. There's 20 minutes set aside for your presentation. What you don't use will be divided equally among the three caucuses for questions. As you begin, please state your names so we have them for the record.

Mr David Penney: Thank you, Mr Chairman and distinguished members of the Ontario Legislature, for giving us this opportunity to make an appearance. I'm the general director of tax at General Motors, and with me this evening is Mr Mark Witkowski, the director of taxation at MDS Inc. We're here today representing the Coalition for the Elimination of Capital Taxes.

The Coalition for the Elimination of Capital Taxes represents major Canadian companies from the manufacturing, resource and high-technology sectors. These companies share a common concern for the detrimental effects of both federal and provincial taxes on investment and capital formation of productivity. It is for these reasons that these companies have joined together.

Satya, do you mind going through this? Sorry. I just sort of ran in here, and I'm out of breath.

Mr Satya Poddar: I'm Satya Poddar, from Ernst and Young. I've been providing support to the coalition on the research side.

As Mr Penney mentioned, these companies have joined together to add their voices to the broader call for the elimination of capital taxes in Canada. Capital taxes are detrimental in several ways. They discourage investment, they reduce productivity, they prevent strong employment growth, they are inequitable and they hit hardest when companies are at their weakest. Capital taxes by their very nature are a tax on capital accumulation. Capital taxes are applied to the amount of money that is invested in a company to purchase land, buildings and equipment to operate the business.

Why is it so important to move quickly on the elimination of capital taxes? As capital taxes apply with no regard to a company's performance, in times of economic slowdown they reduce a company's ability to weather the storm and erode opportunities to respond when the economy rebounds.

Companies need to inject more cash into their operations to meet shortfalls that occur during a downturn in the economy. Capital taxes undermine the effectiveness of these actions by taxing the cash infusion. By reducing the funds available for investment, these taxes reduce international competitiveness and job creation. All of these factors will lead to an even slower economic recovery.

One disturbing trend is that capital taxes are representing a much larger portion of government business tax revenues during economic downturns. It is important that the government take measures that help business grow and invest in the future of Ontarians. Capital taxes are applied regardless of the economic cycle and actually discourage investment and job creation when it is most needed. There has never been a better time than now to get rid of these job-killing taxes.

Nationally, there's a growing recognition, not just among the business community but within some governments as well, that capital taxes must be eliminated. Some governments in Canada have already recognized the adverse effects these taxes have on job creation and are taking a lead role in eliminating them.

Alberta was the first province to completely eliminate capital taxes with the elimination of its financial institutions' capital tax in 2000. The BC government has also announced elimination of capital taxes. The tax was reduced by half in the first year and will be phased out in September of this year. In its last budget, the Quebec government announced a reduction in their capital tax of more than 50%. Their current capital tax rate of 0.64% on capital will go down to 0.3%.

The coalition applauds the Ontario government for also recognizing the detrimental impact capital taxes have on the economy. In its 2001 budget, the Ontario government announced that it was prepared to completely eliminate capital taxes. However, its first step was to raise the threshold at which the capital tax applies, and it provided no timetable for its complete elimination. Increasing the threshold provided limited relief to smaller businesses, with inconsequential change in the tax burden for larger corporations. We believe it is important for Ontario to build on its 2001 budget promise to eliminate capital taxes. It is time for a firm commitment to eliminate these taxes completely, with a precise timetable.

1720

Ontario has led the way in taking action against high tax burdens that have crippled our ability to compete internationally. This province's commitment to lower corporate income taxes will have a long-lasting economic benefit and will improve Ontario's competitiveness. Even the federal government has committed to reduce federal corporate income tax rates substantially over the next few

years. However, corporate income tax rate reductions at the provincial and federal levels will benefit mainly the service sector. The highly capital-intensive manufacturers, high-technology and resource-based industries that employ significant numbers of Ontarians do not benefit from these rate reductions and continue to bear a disproportionate burden of capital taxes.

I'll now ask my colleague to elaborate more on the detrimental impact of capital taxes, and come back to your questions later.

Mr Mark Witkowski: I'd like to take this opportunity to elaborate on some of the critical points my colleague has raised on the negative effects of capital taxes. The experience of every major industrialized country during the past decade shows that capital accumulation is the key driver of growth and productivity and in output. Capital taxes are a tax on this capital accumulation.

Furthermore, capital taxes provide a strong disincentive to foreign investors, and thus discourage foreign direct investment in the economy. Foreign direct investment brings many benefits to the Ontario economy such as gains from international exchange, access to international distribution systems and spillovers for domestic industry through increased access to foreign research and development skills.

Capital taxes are by far the worst of any taxes we have. A study conducted by the federal Department of Finance and published in the Organisation for Economic Co-operation and Development's 1996-97 economic survey of Canada, compared the cost to the economy of the various tax measures being used in Canada. The results of the study indicated that every dollar of tax collected through corporate taxes, both income and capital taxes, results in a loss of \$1.55 in output. Indications are that the loss inflicted by capital taxes alone is significantly larger and could be as much as \$7 for every dollar of revenue raised, due to the negative impact on investment and innovation. In comparison, the real output costs of a dollar of sales tax was estimated at 17 cents, payroll taxes at 27 cents and personal income taxes at 56 cents. This strongly supports the claim that capital taxes are the worst of all taxes.

The costs associated with reduced profitability, investment and productivity often fall upon the labour force, giving capital taxes the reputation of job-killer. Labour suffers, not only because of reduced employment, but also through reduced wages. Therefore, it is not simply the companies that suffer but, equally important, Ontario's workforce.

Capital taxes are inequitable in many ways. The large corporation tax falls disproportionately on capital-intensive sectors like manufacturing, resources and high technology. Recently released Statistics Canada data demonstrate that the manufacturing sectors—including high technology, mining, oil and gas—pay a disproportionately high amount of the capital tax relative to their share of total economic output. Manufacturing represents 19% of Canadian GDP but pays 27% of the capital tax, while the mining, oil and gas sectors contribute 5% to

total economic output and pay 12% of the capital tax. This is a very disproportionate burden on these industries. We estimate the pattern to be very similar for Ontario corporation capital tax. These sectors happen to be some of the most productive in the economy. Therefore, this is not only a tax on capital but a tax on productivity, which is the essential ingredient for higher growth and a higher standard of living for Ontario.

Historically, manufacturing has been accorded a lower corporate tax rate in recognition of its role in the economy and the need to remain competitive internationally. The move to bring the general corporate income tax rate in line with the preferential rate for the manufacturing sector results in a growing proportion of the corporate tax burden being paid by the manufacturing sector. Leaving the capital tax in place while levelling the corporate income tax rates will tilt the playing field against manufacturing.

As capital taxes are a profit-insensitive tax, they lead to an even greater hit on companies' profitability during economic slowdowns. The Statistics Canada data described earlier also demonstrate another disturbing trend: companies in a loss position pay more than one half of capital taxes levied. This further dampens their ability to weather the storm, not to mention undertake key investments. By reducing companies' relative profitability, these taxes can lead to reduced investor confidence, reduced international competitiveness and job loss. All of these factors will lead to an even slower economic recovery.

The Coalition for the Elimination of Capital Taxes strongly believes that there is a need to act now on getting rid of the capital tax in Ontario. The coalition is encouraged by and supportive of the Ontario government's recognition that capital taxes are detrimental and need to be eliminated. However, to date the government has not outlined the plan by which it intends to eliminate the capital tax. To date, in fact the government has not even taken the first steps toward offering broad-based relief from the capital tax.

While the 2001 Ontario budget provided additional relief for capital taxes to smaller businesses, it did not provide broad-based relief to the manufacturing, resource or high-tech sectors, this despite the fact that these sectors are being hit the hardest during the economic downturn. These sectors are currently seeing the worst decline, year over year, since the early 1980s.

The Coalition for the Elimination of Capital Tax calls upon the Ontario government to immediately repeal its capital tax. The Ontario economy would immediately benefit in many ways. The economy would benefit from increased prospects for growth by removing a significant barrier to investment. Abolishing this tax would strengthen the competitive position of Ontario businesses in world markets. There would be gains from a simplified tax system, as the entire burden associated with collecting, administering and complying with this tax would disappear. It would enable Ontario companies, especially those being hardest hit by the current economic climate,

to better allocate their scarce resources to preserve jobs and investment.

The coalition understands that the Ontario government may have fiscal concerns restricting its ability to take this decisive action. If such were the case, the coalition would support a phasing out of the capital tax through a scheduled reduction in capital tax rates.

The coalition, however, does not support any planned phasing out of the tax through staged increases in the threshold or announced intended rate cuts, with no specified or legislated delivery dates. Such measures would be too narrow and limited in scope to address in a meaningful way the concerns noted above.

Although the coalition will support any announced phase-out of the tax, it should be kept in mind that many of the benefits gained by immediate elimination, such as reduced compliance costs, would not be achieved.

Mr Chairman, we once again thank you very much for this opportunity to express our concerns. We will now turn to you to answer any questions you or other members of the committee may have.

The Vice-Chair: We have about a minute and a half for each caucus and we'll start with the Liberals.

Mr Kwinter: Thank you very much for your presentation. I couldn't agree with you more. I think this is an inequitable tax; whether you make money or not, you have to pay it. I think it's a real disincentive for investment. But the problem, and you raised it at the very end, we heard today and we've heard all along from economists and from the leadership candidates is that we're looking at anywhere from a \$3-billion to a \$5-billion deficit this year. The capital tax represents, in 1998, \$1.1 billion; it's probably up to about \$1.5 billion now, somewhere around there. How effective would it be and what sort of time span would you accept or find reasonable to phase that out? It's not going to happen in one year, I can assure you of that. We just don't have the money to do it.

Mr Penney: Realistically, we think that two to three years would be a reasonable phase-out time. You have to remember that the capital tax, as you know, as you've expressed, chips away at investment, and one of the things you need during economic downturns is more investment. One of the statistics that was cited for you was that a dollar of tax, at least at the combined federal-provincial level, taken out of the system costs about \$1.55 in output. A dollar of capital tax taken out of the system costs about \$7 in output. Notwithstanding the difficulties, we think there would be sufficient spinoff that you could phase it out over two or three years.

Just as a further comment on that, one of the things the government has done is increase the threshold to eliminate some of the taxpayers at the lower end. They moved it up to \$5 million, I think it was. That doesn't do anything for big business at all. When you're going to phase this out, you need to phase it out by rate reductions. Rate reductions just take the tax out. If you phase it out by increasing the threshold, you'll eventually get to a point where you'll have a small number of taxpayers stuck with this tax and it may be very difficult to get rid of it.

1730

Mr Christopherson: Thank you for your presentation. I have to say to you that I don't think the debate today really should be whether or not this is an unfair tax in the context of the total tax scheme for the province but whether or not we can afford any more tax cuts at this time. I'd like to just read a couple of quotes from the Toronto Board of Trade, which presented just a little earlier today. They said, "Every day we're confronted with the fact that our transportation system is in a state of disrepair." They're speaking of the Toronto area. Also, they said, "From crumbling infrastructure to urban sprawl and increasing homelessness, it is clear that our city, our region, is in decline. If it continues to decline, the prospects for future prosperity for our province decline with it."

That's coming at the end of the biggest economic boom North America has ever seen and after tax cuts were already made a priority. This decline didn't happen overnight; it happened over the last few years. If we want to talk about homelessness and what contributed to that and the infrastructure declining, take a look at transfer payments to hospitals, to school boards, to municipalities themselves. So in the good times we had all these tax cuts and this is what we got: decay and more homelessness. Now we're heading into the bad times, and you want more tax cuts. I'm asking, how do we find the money to put back into our communities, which the Toronto Board of Trade has acknowledged are in desperate need? How do we do that? How do you justify saying that your billion dollars should come before any of these things that even the board of trade has said have to be dealt with, like homelessness?

Mr Penney: I think one of the things we were saying, and you referenced it at the beginning of your comments, was that in a sense the tax is inequitable. It's not a good way to raise revenue. If you have to raise revenue, you shouldn't be doing it with capital tax, because capital tax chips away at corporate investment. So I don't think our request to eliminate capital tax is necessarily contrary to the initiatives you've just spoken of.

Mr Christopherson: With respect, I have to say it absolutely is. It means that mental health services for children have to continue to go further down the priority list.

The Vice-Chair: We must move on. Mr O'Toole.

Mr O'Toole: In contradiction, this is what the board of trade actually said: "The board appreciates that eliminating capital taxes is a costly recommendation, but leaving them in place is more costly to the economy." That's really the point.

Mr Christopherson: On a point of order, Mr Chair: I just want to be clear. If you're suggesting I quoted inaccurately, say so. If you're quoting something else, that's fine, but you didn't say that. You said, "Here's what they really said," and that's to suggest that I quoted improperly, and I did not.

Mr O'Toole: I think what I'm trying to demonstrate is that Mr Phillips as well as Mr Christopherson have

argued all during these hearings to increase taxes because everyone who comes wants more money in some form or another. You want more money too. You want it to reinvest. That's what the capital tax argument is about. It's the worst tax at the worst time. That means you're still paying, whether you've got any revenue or not. It's not revenue-sensitive. They just don't get that part. What are they going to do with it? The investor is going to recapitalize and retool their factory to make more products more efficiently and more high-quality. I understand that.

Mr Don Drummond from the TD Bank this morning also made a very considered argument. His first recommendation was to commit to eliminate the provincial capital tax. He's probably one of the most interesting economists who comes before this committee.

Your relentless argument is heard. The government, as you know, has started on the first \$5 million. There isn't a schedule, but I can tell you that the government is very sensitive to being competitive. That's the whole thrust of most of the arguments.

You'd have to look at the corporate tax regime as well. When you add the federal 22% and our 8%, and we've committed to reducing that by half, the whole issue here is being competitive. I sum up our argument fairly simply in saying that a strong economy—that's companies investing money create jobs—will allow us to have good health care and good education. It isn't a chicken-or-egg argument; it's a case of investments. That is, the right tax policies are essential for our economy.

Mr Phillips relentlessly argues when he's here—he's probably watching on television. Hi, Gerry. But anyway, the reason I say that is, he argues that we should not have lower tax than our trading partners.

What's your response in general to those two points: capital and corporate?

Mr Penney: Do you mean relative to which tax we would trade off, corporate tax—

Mr O'Toole: Yes. You want the capital tax first, I understand.

Mr Penney: We want the capital tax off the table first. Corporate income tax is, as you probably—

Mr O'Toole: It's tied to profit, though. You've got to make money to pay it.

Mr Penney: Exactly. Particularly for multinationals, which bring a lot of foreign investment into the country, a capital tax is not creditable against their taxes in the US, for example, whereas an income tax is. So capital tax is clearly the worst way to raise revenue that you can think of.

The Vice-Chair: Thank you very much. We appreciate your coming forward to present to the committee.

ONTARIO ASSOCIATION OF FOOD BANKS

The Vice-Chair: Our next delegation is the Ontario Association of Food Banks. Mr Spina, would you take the chair?

The Acting Chair (Mr Joseph Spina): Hello and welcome. You have 20 minutes, as you know. If you would be kind enough to introduce everyone, and if more than one person is speaking, maybe they could mention their names at the beginning of their comments for the purposes of Hansard so we can make sure, in your comments, that the appropriate person is recorded.

Ms Sue Cox: Thank you very much. We're delighted to be here and we'd like to thank you for the opportunity. And yes, we're all going to take a kick at the can.

I'm Sue Cox. I'm the executive director of the Daily Bread Food Bank in Toronto, but I'm here today as chair of the Ontario Association of Food Banks. To my far right—usually not—is Bob Spencer, who is the executive director of the Ontario association. To my near right is Judy Black from the Fergus-Elora food bank. To my left is Hannes Vrakking from the Barry's Bay food bank.

We'd like to spend a minute and give you a bit of an overview of what's happening in food banks in Ontario and perhaps make some suggestions, with your permission.

First of all, the Ontario association is of course the umbrella organization for food banks across the province, and probably about 80% of the food banks are represented by this association. They are large urban food banks like my own, Daily Bread, and smaller food banks. We're quite varied—we're suburban, we're urban, and so on and so forth.

Every year, as part of the Canadian Association of Food Banks' HungerCount, we take a look at what's happening with the food bank situation in the province, what the changing demographics might be and what the numbers are. For the past several years, it's true that the number of people using food banks in the province of Ontario has been virtually unchanged as of March of this year. So in spite of economic improvements—there was a huge jump right after the welfare cuts in 1995, so we saw it first in March of 1996. Up until March of this year, the numbers have gone up and down by 1% or 2%, but nothing significant.

Still, there were some significant demographic changes in the population of food bank users, and they are outlined in the brief you've been given. I won't bore you with the details, but basically what we've seen is that you can no longer say in Ontario that half of the people using food banks are welfare recipients; they are fewer than half now. Instead, we've had increases in the number of people with no income at all using food banks and increases in the number of working poor people using food banks. In other words, a lot of the people who were on welfare moved into jobs that have not actually put them any further ahead.

I say the numbers remained unchanged until a meeting we were at just a couple of weeks ago. Again, the majority of the food banks in the province were around the table and we went around to say what was happening in our area, and everyone—100% of the food banks there—said the same thing: "Our numbers are through the roof and numbers have gone way up since October,"

or "Our numbers have gone up since August." The increases range from 8% to—yours was?
1740

Mr Hannes Vrakking: Fifty.

Ms Cox:—50% in Barry's Bay. So what's happened out there is obviously the impact of the current economic downturn.

We talk a lot about food banks in Toronto, but I want to make the point that this is not solely an urban problem and ask my colleagues here if they'd just talk a little bit about what's happening in their neck of the woods. Do you want to start, Hannes?

Mr Vrakking: I'm from Barry's Bay, which is a community just north of Bancroft. The population of the village of Barry's Bay is about 1,200. Our food bank services a catchment area of about 5,000 people. Normally we would see about 30 people every time we're open, which represents for us about 150 mouths that we feed. Since October, this has all of a sudden increased, and at the last food bank opening we saw 66 families, which represents about 330 people out of a catchment area of 5,000.

Our community is economically depressed. The only industry that's really there is lumber, and wages in the lumber industry are quite low. The other economic factors in our area are a high school, two schools and a hospital. So these are all government employees indirectly. The other ones are, like I said, in the lumber industry. To give you some idea of what the wages there are, I know one fellow who has worked for the same company for 16 years. He gradually moved up in responsibility and now makes \$13 an hour, and he has a family of four children. That is the economic situation in our area. There's obviously a need for economic development.

On the other hand, our donations this year have gone down by about 50% over last year. From what I see on the news, this seems to be a general trend with charitable organizations, that since September 11 nobody gives to charities any more; we're certainly not getting much. Because of the increase in our numbers and the decrease in donations, we face the almost certainty of having to suspend operations sometime this year and maybe close down permanently.

I'll give you a couple of examples of people who are part of our customer base and who are regular customers of ours.

One is an older woman. Her husband recently left her. She is left on a farm which has I think 400 acres or something. She went on welfare, and because of the amount of land she has, they clawed back part of her welfare benefits. She gets \$93 a month. The land is of no value. There's lots of timberland up in Barry's Bay and nobody is willing to buy land up there.

Another one is a mother of 40 years old. She has four children. She went off welfare and found a job two days a week cleaning cottages at \$10 an hour. She cannot support herself; she cannot support her four children. She is one of our customers.

I hope that gives you an impression of what our situation is up north.

Ms Judy Black: My name is Judy Black and I reside in Fergus. Our food bank services the amalgamated population base of Centre Wellington, which is about 23,000. We service an average of 100 families per month in that area.

Hannes was speaking of donations. Because of our increases—when I started there five years ago, it was about 40 families a month. We have a strong Christian community that donates well. However, with those increases in numbers, we would also be out of business if it wasn't for our umbrella groups that can help us out.

Our largest demographic of users are the working poor and those on social assistance and disability, which are pretty much even in their stats. And most of those are single parents or two-parent families, so it's families with children that are our largest users. Single people are a very small demographic in our area.

A lot of reasons I've heard from our recipients are increases in their housing costs. If they're on a fixed budget, their income is not increasing but their housing costs are rising. A lot of them are somewhat undesirable, but the cost of moving is very expensive, with your first and last and moving expense. We have also a large increase in our utility costs in our area, the heat, hydro, water—sewers have tripled over the last year—which are all transferable costs, whether you're renting or owning. We have no transportation other than taxi, which is fairly expensive. There is no public transit in small communities, which also makes it expensive for our clients to access or to get to other services they need to access.

It's very costly, even though it's a small community. Our housing costs might not be as high as a large city, but the expenses are certainly very high. That's kind of what life is like in Fergus.

Ms Cox: It's the kind of story that we hear right across the province. It seems to be that these stories are just about everywhere the food banks exist, yet the food banks themselves, I think, are doing quite a remarkable job just trying to meet these needs, with oftentimes declining donations and rising numbers of people. They're absolutely reeling from the impact of what's still a relatively minor recessionary trend compared to what we've had before. We totalled up this year the hours that food bank volunteers and staffs spend, and we figured that's roughly \$15 million worth of work each year to distribute probably \$90 million worth of food that comes both from the food industry and from local donations, to distribute it a lot of ways. We have food going up to Moosonee and as far east and west as you can go. Still, 90% of the food banks say they don't have enough food to meet needs, and we know from our own surveys and sampling of people that a huge number of people, probably the majority, sometimes go hungry in spite of food banks being there.

We are not the cure and we are not here, of course, to suggest that food banks be funded by the government. We're here to ask you to invest in the people we're

erving, to get them out of that kind of situation so that they don't really need to use food banks. Again, the kinds of things that I think the finance committee might reasonably think about, even though I know you're not the setters of social policy, are that—one thing that is curious to us is the use of tax dollars to stimulate the economy and things like tax rebates and tax cuts, whereas if that same money were put into the pockets of our clients, they would certainly stimulate the economy too. Virtually none of them has an offshore bank account or a place to squirrel the money away; it would certainly move into the economy. So I'm just wondering about the thinking that says somehow they wouldn't be spending money. I've actually heard that expressed from time to time: "Well, it needs to stimulate the economy." Well, they would stimulate it at the grocery store, let me tell you, in a minute. They'd stimulate it; certainly in Toronto they'd be using public transit, which they can't afford now, for instance.

Things like the clawback of the benefit from the federal government. The clawback of the national child benefit particularly sticks in our craw, I've got to say, because we know how well these families would use that money. Additionally, something like that is an investment in the health of the children, because these children are growing up chronically poorly nourished, and we are not able to turn that around.

If you could think in terms of the investment that might be made in families to move them forward, one is a health investment. With the huge number of people using food banks who are disabled right now—in Toronto it's more than 40% of food bank households—those folks are kept healthy by being able to go to the grocery store and buy the food they need. I think it's important. They buy what they want and they shop in a very clever way; I think they use their money well.

Again, there are a lot of policies that this government has pursued which I fear have discouraged people in their search for work. Let me give you an example of that. I know you don't deal with social policy, but there's a welfare top-up for working poor families. You may not know that that amount of money goes down the longer you hold the job, so eventually it disappears and you can end up basically worse off than you were before you had the job. That is not an investment in people; that's a way to discourage people from working.

Again, it's much more difficult for people to pursue education right now, particularly meaningful education so they can get out of the situation they're in. I think the poor need to be protected from unfair rent increases from unscrupulous landlords. Increasingly, we see people in Toronto in overcrowded and substandard housing that they've had to move into because they can't afford it. Finally, we see policies that appear to us to be wasting money, something like drug-testing welfare recipients when welfare recipients, every survey shows, are no more likely to be drug users than anybody else. That would be better spent in treatment centres for those

people who are seeking treatment. Just keeping people unhealthy is not a great way to get people back into the workforce.

In Ontario Works, the job training component has actually been quite good in many instances, but for workers to be spending all their time policing people instead of working one on one with some of these now harder-to-serve welfare recipients to get them back to work seems to me an ill-advised policy, and ill-advised from an economic perspective, not just from a social policy perspective.

Let me ask you to wrap up, Bob.

Mr Bob Spencer: I'm Bob Spencer. I'm the executive director of the Ontario Association of Food Banks. There are a couple of additional points. The framework that we've looked at is to try to come up with conclusions that had some relationship to your job here. Just before I left, I was presented with a paper called *The Evolution of Wealth Inequality in Canada, 1984 to 1999*, by Statistics Canada. It's worth just looking at the summary of that. Someone in legislative research might look at the whole paper. In 1984, only 10% of young couples had no net worth. In 1999, it was up to 16% of young couples having no net worth.

What we're concerned about is not that we're busy now—we're very busy now—but we're actually really concerned about the future. We really think that unless the situation turns around, you could be faced with a much, much bigger food bank movement, which is not in our interest, and many, many more people who are discouraged, unable to work, unable to go to school and literally producing the kind of situation that we know is reported from our brothers and sisters to the south, where 27 million people last year used food banks in the United States. That's nearly one in every 10.

So I would just encourage you to think about the possibility that there but for fortune go us, and really try to keep Ontario away from having a huge food bank movement and a huge number of people in poverty.

If you have any questions, we'd love to answer them.

The Acting Chair: Thank you. We have less than a minute each, which would likely be about a question, beginning with Mr Christopherson.

Mr Christopherson: Thank you for your presentation. If you heard the earlier presenters, there's quite a move afoot by big business in this province, my sense is, to focus as much as they can on one area, recognizing that the economic times don't let them go after their usual shopping list of tax cuts. Now it's the capital tax, and it seems to be gaining some support from places where I wish it wasn't.

Yet the board of trade was in here earlier today talking about the decline. I'm going to read it for you:

"From crumbling infrastructure to urban sprawl and increasing homelessness, it is clear that our city—our region—is in decline. And if it continues to decline, the prospects for future prosperity for our province decline with it."

Capital tax: \$1.1 billion. At this stage in the game, where do you think \$1.1 billion can best be spent?

Laughter.

Mr Christopherson: I know it's laughable, but that's the reality. People are coming in here saying that's the priority: another billion-dollar tax cut.

The Acting Chair: Let her answer, please.

Ms Cox: In a variety of areas. I think some real investment in getting people back to work is a good investment. I think that housing would be an excellent investment. The majority of the people we see are using the majority of their income to pay their rent. That's a lot of the reason they go to food banks; it's a rent supplement for them. It enables them to pay the rent. So I think an investment in housing, or an investment in income that would purchase housing for them would be an excellent investment. I think just ending the clawback of the national child benefit would be a huge investment in children. That would probably just about use that up. There would be lots more that I'd want.

The Acting Chair: We'll go to the government caucus.

Mr Maves: Thank you for coming today. I noticed in some of the stats—I was surprised that in 1995, 65% of food bank recipients were welfare recipients, and now it's less than 50%. Then I continued to read that the percentage of food bank recipients who were employed rose from 10% in 1995 to 13% in 2001.

You have a boatload of stats, profiles of your clients. How do you garner the information on all of your clients? Do you do exit surveys? Do they fill out forms when they first come in? How does that work?

Ms Cox: They're actually reported by the food banks themselves, and it's an aggregate number of their reports. In Toronto, we get the numbers by actually interviewing food bank clients. Those food banks all report in the breakdown to us, and that's where the number comes from. They have various ways of getting that. It could be an interview at the point that people come in for food. That's the most probable way of doing it.

I've got to mention that, for instance, there is a large number of people on ODSP, the disability plan, who are using food banks. There's another large group of people who are on welfare, but who once would have been

eligible for that, and things like that. So there is a variety of income sources. We have simplified it for the purpose of this.

Mr Kwinter: I'd like to clarify something, just so I have an understanding. You say that donations are down. When you talk about donations, is that donations in kind? Do you accept donations of money so that you can supplement what you get from the national food distribution system?

Ms Cox: Donations are not down in Toronto. Donations are down in some other places.

Mr Vrakking: In Barry's Bay, most of our donations have traditionally been in cash. Our cash donations are down by 50% or more.

Mr Kwinter: If you have a national distribution food sharing system, do you use that cash to buy food?

Mr Vrakking: Yes.

Mr Kwinter: Are you not part of the system, so that you can—

Mr Vrakking: Yes, we are.

Mr Kwinter: That isn't enough for what your needs are?

Mr Vrakking: Most of the donations we get from our sharing are cans and that sort of stuff. We try to supply our clients with milk, bread, meat and that sort of thing. Those are not usually included in the national or the provincial sharing.

Ms Cox: There is not enough food in the national food sharing system, by any means, to meet the need. It's food from the food industry, usually unsaleable food or their excess in some way or other. It doesn't come anywhere near meeting the need. It's a great system, and one of the things we hope to do in our new building is to boost it and have much more. But it wouldn't do—nor is it the most nutritious food. I think that's important to mention. It is food that could just as easily be cookies as canned tuna or peanut butter. We have a lot of plans to try and improve that, but it's a struggle.

The Acting Chair: Thank you, Ms Cox, and thank you all, for joining us.

This meeting stands adjourned until 10 am tomorrow morning.

The committee adjourned at 1759.

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**Standing committee on
finance and economic affairs**

**Comité permanent des finances
et des affaires économiques**

Pre-budget consultations

Consultations prébudgétaires



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 5 March 2002

Mardi 5 mars 2002

The committee met at 1001 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Marcel Beaubien): Good morning, everyone. It is 10 o'clock and I'd like to bring the standing committee on finance and economic affairs to order.

RETAIL COUNCIL OF CANADA

The Chair: Our first presentation this morning is from the Retail Council of Canada. I see you're nice and comfortable in your chair. If you could identify yourself for the record, on behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Mr Peter Woolford: My name is Peter Woolford. I'm with the Retail Council of Canada. It's a pleasure to be here this morning. I will take perhaps about 10 minutes for my presentation and then I'll be glad to answer any questions from the committee.

What I will do this morning is introduce our organization, spend a fair amount of time talking about the current economic circumstances as we see them—I think that would be particularly helpful for the committee—and then give you our policy advice.

Very quickly, Retail Council of Canada is the voice of retailing in the country. We represent general merchandise retailers. Over 3,500 Ontario retailers are members of Retail Council of Canada. They come from all channels of distribution—that is, traditional stores, e-retailers, catalogue sellers and so on—all formats—big box, street front, mall, what have you—and all merchandise categories from drug through specialty retailers, departments stores, the full range. We represent, we estimate, roughly two thirds of all general merchandise retail sales in the province.

Let me talk very quickly about the experience our members had in 2001. As members know, the economy was soft and we saw that in our sales through the first three quarters of last year. Overall for the year in Ontario, retail sales rose by just under 3%. Despite that weak economy, the terrorist attacks and the uncertainty that followed, we still saw 2.6% retail sales growth in the fourth quarter. The sales over the holiday season were in fact substantially stronger than our members had feared. That talks well to the continuing confidence of consumers, and that's a theme I'll return to.

One of the very good pieces of news coming out of our members' experience over the last year was that, coming out of 2001, inventories in retail stores, and in fact in the supply chain, were quite lean. That means that if we've been through a period of slow growth and anticipate some growth going forward, the demand will translate back into activity in the supply chain quite quickly. That lean inventory position coming out of the holiday season did come at the expense of margins.

Let me talk a little bit now about conditions in 2002, essentially the first two months of this year. We've been talking to our members on an ongoing basis with some real focus in the last two weeks to get a sense of where things are at in preparation for this appearance. So far, again, the story is quite positive. Our members are reporting that their sales in the first two months of this year are stronger than expected and stronger than they were this time last year. This pattern is broadly consistent across all categories of merchandise and across all price points. Where we do see some retailers reporting softer performance, we believe that's coming from difficulties that particular format or that particular category of merchandise faces. Perhaps the easiest example would be music, where we're seeing customers moving from the retail store format to buying their music on-line.

We do see, in terms of regional patterns, very mixed reports for Ontario. Our members have not given us a clear picture as to where Ontario sits within the national average. Some say Ontario is stronger and others say Ontario is a little softer than the national average and yet others say it's bang on, so I don't have a clear crystallization of what is actually happening in Ontario relative to other provinces.

The patterns of behaviour by consumers are rock-steady. Average store counts—that is, the number of customers coming into the store—are unchanged over last year or up very slightly; the average ticket is unchanged or up very slightly; and the conversion rate—that is, the number of consumers who actually buy something as opposed to those who just come into the store—has stayed steady.

Inventories remain very lean among our members. Part of that is the investment that retailers have made in recent years to move to a just-in-time inventory system, and they're seeing that pay off now in situations of some turbulence. But it is, again, good news for the economy in terms of being able to translate demand back into activity up the supply chain quite quickly.

One thing I would flag to the committee is the impact of the decline in the value of the Canadian dollar over the last year. That certainly has made merchandise more expensive for retailers, and they have asked us to express that concern. We believe that at the federal level all the government can do is maintain its current course, but our members have signalled that as a potential for some cost increases down the road, if we don't see some turnaround in that.

Looking toward the outlook for 2002, our original forecast coming into this year was essentially for flat sales in the first half of 2002, some recovery in the third quarter and then stronger sales in the fourth quarter. Our members now are rather more optimistic about the first half and expect that in fact there will be some sales growth in the first half of this year. There is still some uncertainty in the industry as to what that means for the second half. Whether the second half will stay relatively soft in the third quarter and then strengthen in the fourth quarter, or whether the better performance in the first half will mean stronger performance yet again in the second half, we simply can't predict at this point.

Let me talk a little bit about why we're seeing this rather more buoyant experience to date than forecast. The first key piece is that consumer confidence has stayed up. Despite the variety of very negative influences, consumers have retained their confidence in their current economic situation. Why is that?

First of all, job creation has continued. It certainly is softer than many would like, but it has continue to grow.

We have seen that the recession is limited to manufacturing, and in fact to a few sectors within that part of the economy. So again, the impact of the slowdown has not spread the way it has in previous downturns.

We now see the US recovering faster and sooner than expected.

A key role has been played by interest rates. First of all, we've seen that housing has stayed very strong, and that has played into retail sales for anything to do with the home. Second, borrowing costs have been substantially lower for consumers in the last year. I saw some research done by the federal government recently which suggested that for the average Canadian holding a \$100,000 mortgage, they have saved in mortgage costs over the last year, if they were able to refinance, close to \$2,000; in fact, over \$2,000 for the full year. That's a tremendous addition to the family's bottom line and certainly will have helped to sustain their spending patterns.

Finally, the tax cuts at the federal level more recently have put additional dollars back in the pockets of consumers.

Our policy advice for the government for this year is actually quite simple and straightforward. In light of the still somewhat uncertain but promising circumstances, our advice is that the government should stay the course it has set. We would argue there should be no tax increases, that government should make maximum efforts

to control its spending and ensure that in 2002-03 there is no deficit.

Let me talk then a little bit about the longer-term policy our members would advocate. They continue to be concerned about the disposable income available to Ontarians. Looking at it from that perspective, our members still see a need to reduce taxes. Our message at the federal level is focused especially on payroll taxes, particularly the employment insurance program. At the provincial level, our members would still like to see some further action, when fiscal circumstances permit it, on the provincial sales tax and on personal income taxes.

There is one technical issue I would like to signal to the committee. Herbal and natural remedies have become a large and rapidly growing market. Consumers have moved into the practice of buying these products and using them to treat a variety of challenges they face in terms of their health. The tax status of these many products is unclear. I had meant to bring a variety of products this morning, particularly echinacea, and I could have divided them into three categories here this morning. Some of the products, by virtue of their claims, are taxable; for some, by virtue of what's said on them, their tax status is unsure; and some, because they make no claim, are not taxable. That's clearly an untenable situation. The clerk in the store doesn't know what the situation is and it's absolutely impossible to explain to the consumer why this bottle of this product is taxable and this bottle is not. This is a significant and growing problem and we call upon the government to resolve it as a matter of some urgency. We don't have any predisposed notion as to what that solution should be, but we do need a clear, administrable solution to this matter.

1010

Finally, some words on red tape: we believe the work of the commission on red tape in Ontario has helped to lower the costs of doing business for our members. We do see that there is now a leadership role that Ontario could play interprovincially and particularly in terms of helping and encouraging other provinces to harmonize their requirements in the area of regulation and other activities. That would allow companies with activities in more than one province not only to have a lower burden of compliance with government requirements but to satisfy different governments with a single set of forms. The best example of that would be the work Ontario has been doing with the federal government on the single business number. We would encourage similar initiatives to be pursued in other parts of activity.

Mr Chairman, those are the comments that I would make on opening. I'd be glad to answer any questions from the committee.

The Chair: Thank you very much. We have approximately two and a half minutes per caucus and I'll start with the government side.

Mr John O'Toole (Durham): Thank you very much, Peter; good to see you again. I also commend your retail council for your involvement in the small business advisory council that Mr Spina and I are involved in. Of

course, it does come down to trying to make doing business easier for not just small business but all business in Ontario. We've been hearing that throughout the course of discussion.

Yesterday we had a number of presentations. Probably the best was from Don Drummond, an economist with the TD Bank. He laid out a pretty grim picture in some respects for the going-forward numbers. The going-forward numbers in his case are somewhat less optimistic than the government's numbers, as far as I understand them. I guess it comes down to choices. You've laid out in some of your charts here policy advice to the government: no tax increase, control spending and no deficit. That sort of sounds like it's from our own hymn book.

As Mr Drummond points out, there's a possibility of something in the order of a \$4-billion deficit, and that number has been around for some time, talking about a shortfall for next year for a lot of reasons. Now, economists are just that, forecasters; they're not actually committed to their numbers, I don't think.

Given the choice between your bottom line here of no deficit and the daunting task facing us in health care and education—pretty well every group that appears before us really wants more money. Ultimately, when you cut to the chase, that is what they all want. The other side is going to say—they're not going to say it clearly but they're going to increase taxes. Of all these choices, increasing taxes or holding the line, what advice would you give to the government, specifically as it affects the consumer? Because raising taxes—they won't be buying echinacea, they won't be buying anything, including cars. So if you raise taxes, what choices, other than the three bullets you've listed here, and advice do you have for the government as we prepare the budget?

Mr Woolford: The advice that our members have asked us to pass on quite clearly is that if the government does face some straightened circumstances this year, they should look first to their expenditure line and should be looking to reduce, constrain, cut back whatever expenditures they have to to get to a deficit. Our members feel that at the present time it would not be appropriate to raise taxes.

Mr Monte Kwinter (York Centre): Thanks, Peter; it's nice to see you again. I want to follow up on Mr O'Toole's question. Don Drummond, when he was here, put out a chart that showed the various projections in a status quo kind of situation: deficits as far as he could see. Afterwards he was interviewed by the media and reported in the press today, and he said the deficit this year in Ontario is going to be \$4 billion-plus, and he would like to see anybody tell him how it's not going to be. He's done his numbers. There's no way it can be anything less than that.

There's no question—and I think everybody has talked about it; the Chairman of Management Board has talked about it, some of the contenders for the leadership have talked about it—there is a deficit that is looming on the horizon. Where would you cut? What is the recom-

mendation from your association as to, when we cut expenses, where you would look for those savings?

Mr Woolford: There's no question that the government faces a very, very difficult set of choices. I know our members, and certainly the retail council, recognize we could be accused of ducking the answer when I say I don't know. But at the end of the day our members are simply retailers; they're not managing the fisc. They're not in a position to know where it would be best to take those dollars out.

What they see is from the perspective of the consumer who walks in through their door. That's a consumer who over the last 10 or 12 years has seen their income stay essentially flat, with the exception of the last couple of years. They see patterns of behaviour that are still somewhat cautious. In those circumstances they are concerned that their consumers' economic well-being be maintained, so they get very concerned at thoughts or proposals that the government dip more deeply into the consumer's pocket. I wish I had a better answer for you than that. But at this point anyway our members still feel it would be better for the government to live with the resources it has and adjust its affairs internally to try to deal with that. Having said that, we do recognize that this year, in light of the outlook, is a very, very serious challenge. I'm afraid that's all I can offer.

The Chair: Mr Christopherson.

Mr David Christopherson (Hamilton West): Peter, how are you?

Mr Woolford: Very well, Mr Christopherson. Good to see you again.

Mr Christopherson: Good. Of course, as usual, we pretty much fundamentally disagree on the major issues.

Mr Woolford: I enjoy these debates.

Mr Christopherson: I do too. I'm not sure it gets us anywhere, but it's interesting every year. Let's jump right into it.

Yesterday we had the president and chief executive officer of the Toronto Board of Trade say in her presentation: "From crumbling infrastructure to urban sprawl and increasing homelessness, it is clear that our city, our region, is in decline. If it continues to decline, the prospects for future prosperity for our province decline with it." My point on that comment is, first of all, that I'm thrilled to hear that being said by the business community. That's good. But there is an inherent message in here that the decline in infrastructure, the crumbling infrastructure, urban sprawl and increasing homelessness don't happen in one business quarter or two, three or four; they take years. In my mind, that's a clear condemnation of the government's lack of investment in those key things. I realize there are some people who have done very, very well during the boom. But even the board of trade is clearly acknowledging that infrastructure and homelessness are key issues that are future determinants of economic activity and they're in major decline.

You, as another person representing another segment of the business community, are saying, "No matter what,

bring in a balanced budget." I realize you don't have the answers but I pose it to you because, if we go with what you want, these things don't get addressed. How do we square that? In other words, you've got business saying two things at the same time: invest in infrastructure in Toronto and do something about homelessness but don't do anything about the balanced budget. Make sure that's there. How do we do both?

Mr Woolford: You're right. It's a very difficult choice. I think our members hope—and it may not be much more than that—that Canada can find the means to start improving the productivity and competitiveness of our economy. I think there's a recognition that we need to invest in innovation, we need to invest in the activities that will make our private sector stronger so they can generate additional streams of income. As long as it's an argument about a limited pot of money, it will be a zero or perhaps negative-sum gain. I think our members would argue that the way to square that circle over the longer term, which is where you make those investments, would be to look for policies that lead to productive investment, to innovation, to more jobs and to more income.

Within our sector we are certainly doing what we can in terms of investing in the education of our staffs, putting money of retailers on the line to try to improve the efficiency and competitiveness of our trade. So we're trying, in our little piece, to make some progress in that area, and I think all we can suggest is that governments should be looking to the private sector to make similar kinds of steps before we encourage—

Mr Christopherson: You realize, Peter, that kind of thinking is what got us where we are today and we've already had the good times. We don't have the good times to rely on any more.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

1020

PEOPLE FOR EDUCATION

The Chair: Our next presentation is from People for Education. I ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Ms Annie Kidder: My name is Annie Kidder, and I'm a member of People for Education. This is Kathryn Blackett, also a member of People for Education.

I know that over the last few weeks your committee and the government have heard from all the directors of education of Ontario, the Ontario Public School Boards' Association, the Catholic trustees of southern Ontario, teachers' federations and many others involved in the education system. We are here as representatives of a parents' group and we're here with very deep concerns.

Over the last six years, the children of Ontario have been the subject of a grand and not entirely successful experiment. I think you would be very hard-pressed to

find any parents in Ontario who would say this experiment was a success or that their children are better off now than they were six years ago. If you ask parents in northern Ontario or in rural areas or in cities, you would find they do not feel that things were better for their children: parents in the Lambton-Kent board, for instance, whose children's schools have closed; parents in the north whose children now spend hours on buses going to other towns in order to receive special education programs; parents in cities whose children are also losing many of the programs.

We haven't come here just to complain, although we are very worried. We've come here, again, with a solution. We at People for Education have been tracking the effects of funding and policy changes on our schools. We're now in our fifth year on elementary schools and in our second year on secondary schools. Tomorrow we will be releasing the 2002 secondary school tracking report, which has many worrying numbers in it.

What we've done is we've gone through the areas that affect parents and children most in their schools, looked at the funding formula and made some suggestions as to how some of the problems could be solved. I've given you the paper on this.

One of the most worrying areas is still special education. The government has spent the last five years trying to work out a formula for special education. We still don't have one. In both, all our tracking reports that schools have complained about how much money and time is wasted on red tape without having time for the children. There are now approximately 46,000 students on waiting lists for special education services in Ontario schools. We have estimated how much it would cost to take those children off the waiting lists. That would be about \$65.6 million.

We've looked at the area of small schools, another area of great concern in Ontario. There are many boards that are suffering because they have a large proportion of small schools. We know that over half the elementary schools in Ontario are under the number it takes to generate funding for a full-time principal.

The funding formula for small schools needs to be completely revamped. We've looked at it in two ways. First of all, we looked at the area of principals and secretaries, because you cannot have a school without a principal and a secretary. Right now there are times in some small Ontario schools where children go to the office and there's nobody there at all.

Fourteen per cent of elementary schools don't have full-time principals, which is an increase of 8% in four years. So in four years we've had that much change in schools with full-time principals. Ensuring they all have full-time principals would cost \$24.7 million. Four per cent of secondary schools don't have full-time principals, and to ensure they have full-time principals would cost \$1.6 million.

Secretaries: principals may not like this, but if you're a parent, the secretary probably seems like the most important person in the school, because they take care of

your kids when they're sick. In many ways, they run the school. They are the core, the heart of the school. We have to ensure that all our small schools have secretaries. All we did was adjust the formula down by about 50 students, which would ensure that all the small elementary schools would have secretaries. That would cost \$36.7 million.

For the last few years another area of concern has been librarians. We're losing librarians out of our elementary schools at a rapid rate. Ten per cent of school boards now don't have librarians in elementary schools at all. We know that there has been a lot of research done showing the importance of having access to books, amazingly enough, for literacy. We need librarians in those libraries. We need to ensure that the libraries are open full-time, which they are not in a third of the elementary schools now. To have enough librarians in elementary schools and secondary schools would cost \$72 million.

Another area in elementary schools where we have seen a huge decline is in specialist teachers, in physical education teachers and music teachers. Music is a core part of the curriculum now, with very rigorous stipulations in it as to what children have to learn. We know how important phys ed is for our children. We've had many reports lately on the lack of fitness in our young people. There's been a 20% drop in the number of schools with phys-ed teachers in the last four years, and there's been a 20% drop in the number of schools with music teachers. To change the formula so that schools between 121 and 500 students have a half-time phys-ed teacher, and schools over 500 students have a full-time phys-ed teacher, would cost \$61 million. To do the same thing for music teachers would cost \$65 million.

In many parts of Ontario, there are many students who come to school unable to speak English. Sometimes they are born in Canada and are unable to speak English. Sometimes they've been here for a while but they're still unable to speak English. We've seen a drop in ESL programs in elementary schools of 22%. To ensure that they have ESL programs would cost \$34 million.

Back to small schools again: if you're in a board and you have a lot of small schools—we went through the funding formula. We checked with a lot of money people on how the funding formula works. We made ourselves a fictitious school of 100 kids, kindergarten to grade 6, and we realized what that would get us was \$7,000 in extra funding. I talked to somebody in the Avon Maitland board, which has nearly all small schools. For their top-up for their small schools they get \$75,000, which is not enough for them to keep the schools open, to staff them with principals and secretaries. What we've estimated is that for every school with fewer than 200 students—there is a small-school grant, but we need to up the small-school grant to 200 students in elementary schools. To ensure that there's enough funding so that those schools have programs, have enough teachers and have the maintenance they need would cost about \$43 million. In secondary schools, to ensure that schools with fewer than 667 students, which is the cut-off for a vice-principal,

would have enough staff programs and maintenance would cost nearly \$30 million.

We all know that there aren't enough textbooks in Ontario schools. We know that the government cut the grant for textbooks for the new secondary school curriculum by half last year. We need \$83 million to provide textbooks for Ontario schools.

Transportation is a huge problem. I think you probably heard from the bus people. It's an ongoing problem. Boards have been promised a funding formula for transportation since 1997. There still isn't one. They're still operating on amounts that they spent in 1997. Kids are riding on buses for longer and longer. Every school that closes means boards have to spend more on busing. There are boards that now say, "We can only afford to bus our kids four days a week." The Ottawa board is thinking of eliminating busing completely. There is not enough money in the transportation budget, and I think everybody knows that. It needs \$63 million more.

One of the things we're going to release tomorrow in our tracking report is the amount of user fees charged in Ontario secondary schools. The Minister of Education said last week that it's illegal to charge user fees for credit courses in secondary schools. Some 82% of the schools in our survey charge user fees for labs and classroom materials. In most of the subjects, that amount has gone up since last year. If the minister thinks that this is illegal and should not be happening, then we need at least another \$19 million in the budget to cover all these costs. These are fees for workbooks, for photocopying. These are fees for essentials in classes.

The learning opportunities grant is a grant for students at risk. It mostly goes to urban boards and to some northern boards. They're at risk for socio-economic reasons. In 1997, the government's own expert panel estimated that the budget for learning opportunities should be \$400 million. The government allotted only \$180 million. In January 2000, the government's Education Improvement Commission recommended that the government re-examine the learning opportunities grant. It's remained as low as it is now. We recommend that another \$180 million be put in there in order to solve the problems in urban boards and rural boards.

There has been an increase in student enrolment and there has been inflation over the same period of time. To make up for that would cost another \$1.2 billion.

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That brings us to a grand total of \$2.024 billion necessary to be put back in the system to make our education system something of which we can be proud and that works for students and for the parents who are sending those kids to schools. That's only a cost of \$950 per student, and it's less than the amount that the government is right now going to spend on tax cuts for corporations.

We feel our children are much more important than the tax cuts. This is a desperate situation now. We're not wavering on the edge. Boards have really, really hit the wall this year. They have nowhere else to take money

from in order to make their programs survive. Boards are looking at massive cuts across the province and at closing another 133 schools just this year.

So what I've come to say to you today is that this is a very urgent situation. Something has to be done right away. The funding formula has to be looked at this year, not next year. It has to be looked at in open, public hearings, and we have to fix the parts of the formula that we know don't work. Thank you.

The Chair: Thank you very much. We have two minutes per caucus, and I'll start with the official opposition.

Mr Gerry Phillips (Scarborough-Agincourt): Thank you, Ms Kidder. You've been a tireless—

Ms Kidder: I'm very tired now, actually. I was up giving children chicken soup at 3 o'clock in the morning, but anyway.

Mr Phillips: You don't show it. You've been tireless for many years, fighting for public education.

My instincts are that the public has heard the concerns but somehow is not listening now. I think you make a very compelling case.

I represent an area in Toronto that's desperately in need. It's had real dramatic cuts in expenditures. But the lure of the tax cut seems to override almost anything, and the government is now committed to corporate taxes 25% below the US. We're not about to match them; we're going to beat them by 25%. Everything I've seen says that our number one asset is a well-educated workforce, but we've decided we're going to compete on the basis of 25% lower corporate taxes. That means, as you point out here, a dramatic problem on funding. In fact, the minister himself said just a few days ago we have a \$3-billion to \$5-billion problem and it's going to come from cutting expenditures. They're going to solve it by cutting more of the support for education and for community safety and policing.

The Chair: Question, please.

Mr Phillips: My question is, how do we do a better job of communicating this to the public?

Ms Kidder: I think the government needs to look at what's actually happening in schools. I have heard more times than I care to remember, "We're spending more than ever on education." But when you talk to parents and students in the schools and you look at what's actually happening in schools, you know that is not true, that there is not more money in the actual schools. So I think what we have to do is go to the schools, look at the schools and say, "Do you have more or less now than you did six years ago?" And we have to ensure that that's the story that gets told, the story of the students in schools. It has, for too long, stayed up there in this fight between either teachers' federations or school board associations and the government. We have to go back now and look at what's happening to the students.

Mr Christopherson: Thank you again for your presentation. I also want to thank you for all that you do. I don't know if you realize the impact you have, but the work that your organization has done is quoted all across

the province as people respond to the need for more funding in our school system. So thank you for that.

You've touched on all the key things.

What I'd like to do maybe is just give you an opportunity to use the fact that you've got TV cameras here and at least some of the government members listening to give them your point of view on what it means to our society to continue to say that tax cuts matter more than giving us education assistants for children who have special needs. Let's start talking to people about what that trade-off has been. Bearing in mind that we just went through the good times and this is what happened to our education system, what does the future hold when we're heading into some tougher times?

Ms Kidder: I think the thing that we've forgotten in our rush to make things more efficient, to make the system work better, to cut the fat from the system—and I'm not denying that there have been areas of waste and still remain some areas of waste, but very few are left—is that we forget, because education costs so much money, that it is the most important investment we can make. There is no other one, not even health care, in terms of the health of the whole society.

Right now there are kids in secondary schools, because there was no curriculum developed for them, who are looking at not being able to graduate. The cost to society of those children for years and years to come will be enormous. Kathryn Blackett was one of the writers of the report on the double cohort. There are as many as 20,000 students who aren't going to be able to get into university in the year 2003-04 because of bad planning on the government's part and because of a lack of investment in post-secondary institutions.

What we need the government and the people of Ontario to do is to remember again why we have a public education system, why it's the most important investment we can make and why it's important that we look at our schools and say, "Do we care about this? Do we think students should have phys-ed teachers? Do we think it's all right that there are more than 40,000 kids waiting for special education assistants?" Those children, too, who don't get the special-ed help that they need now will be burdens on our society later. We need to address those things now, while those kids are in school, while we can give them the help, so that we have a healthy, strong society in which we can all grow old.

Mr O'Toole: Thank you very much. I recognize the work you do in this area.

Just a couple of points, and you could respond when I'm finished. The first thing is the budget. I suspect that we've heard numbers from all of the advocates ranging from \$1 billion to \$2.5 billion. Yours is a little bit lower than that, but they are big numbers.

When I look at it from the student's perspective in the classroom and the school's perspective, it's approximately, according to the numbers we have, \$6,998 on average per student. That's about \$7,000. You take a typical school of 500 students: that's \$3.5 million going into that school. The problem is, it's going into the wrong

place. It's going in up here, and there's not enough chalk in the classroom. So I think we need to drill down and maybe look at school-based funding.

The other thing I want to question you on is that in the numbers I have, and these are published numbers, from 1980 to 1984, 317 schools were closed. That's an average of 64 a year. From 1990 to 1994, there were 131 schools closed; that's 26 in an average year. From 1995 to the present are 206 schools, an average of 34 per year. So there have always been school closures and I think it's important to recognize that.

There is a report you should have a look at which was issued by our researcher. The chart in there shows, including population growth, that the funding since 1995 has changed from \$12.8 billion in 1995 to \$13.8 billion in 2001-02. It's not written by some government person; it's written by one of the researchers with us today.

That also addresses the increases in the number of students, with something in the order of two million students in Ontario. In summary, it said that education funding per pupil has exceeded 1995 levels throughout the first four years of the student-focused funding model.

The Chair: Question, please.

Mr O'Toole: Some of the information you put out is incorrect. How would you respond to being able to validate the numbers, that you said next year 20,000 students will be unable to find a place in secondary school? Can we hold you to those numbers, or do you keep moving?

Ms Kidder: They're not looking for places in secondary school. They're looking for places in universities.

Mr O'Toole: Post-secondary. You weren't listening.

Ms Kidder: I want to go back to your first point, please. There are laws about administration now, and the money that boards now spend on administration is limited by the funding formula.

In terms of the school closing numbers, we know because—and somebody from the government phoned and said, "How did you get these numbers on school closings?" We said, "Because we phoned every single school board." Sixty schools were closed last year—

Mr O'Toole: Who's funding you?

The Chair: Order, please.

Ms Kidder: —and 60 schools closed the year before.

We are funded by three foundations and by the parents of Ontario who send us \$10 and \$25 cheques, and school councils. That's who we're funded by.

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The numbers we quote in terms of the study on the double cohort are based also on surveying every single university in Ontario and asking them specifically exactly how many students they are prepared to take and comparing that to the Ontario Universities' Application Centre forecast as to the number of students who in a normal year would be able to get into university. There is a 20,000-student shortfall. That's not for next year; it's for the year after.

Mr O'Toole: Actually—

The Chair: Thank you very much.

Mr O'Toole: Mr Chair, for the record—

The Chair: Order, please.

Mr O'Toole: —in the paper yesterday there were were 10,000 students—

The Chair: Order, please.

On behalf of the committee, thank you very much for your presentation this morning.

CANADIAN UNION OF PUBLIC EMPLOYEES

The Chair: Our next presentation is from the Canadian Union of Public Employees. I would ask the presenters to come forward, and if you could state your name for the record, please. On behalf of the committee, welcome.

Mr Sid Ryan: Good morning and thank you for the opportunity to make this presentation on behalf of CUPE's almost 200,000 members in this province. We represent membership in all the major sectors in the public sector, from education to health care, municipalities, Hydro, child care, social services, universities. We've got membership in all of them, and of course a lot of the policies of your government directly impact upon all of our members.

Before I get into the presentation, let me introduce the folks who came here with me today. Judy Wilkings and Doug Allan are both researchers with our CUPE national organization. Shelley Gordon also helped to prepare this brief and is a researcher in CUPE. As you can probably see, the brief covers all of the major sectors I talked about, but obviously the time today does not permit me to go through all of those areas, so I'll focus in on some of the ones we find this year to be particularly troublesome.

I would like to start off by talking about the hospital sector, and in particular I want to talk about PFIs. These are these public-private financed initiatives that this government has embarked upon. We think this is a disastrous direction for our province and for health care. You've announced two of them so far, one on the Brampton campus of the William Osler Health Centre and one at the new Royal Ottawa Hospital. I just want to explore how these are not a good deal for the taxpayers in Ontario.

They're not a cost-effective way to deliver health care; experience elsewhere contradicts that claim. The privatization of hospitals leads to increased costs, reduced public accountability, more two-tier health care, fewer hospital beds, and basically an attack on workers' rights. We've got lots of examples we'd like to share with you, and the brief we've presented is chockablock full of examples of where this has been a disaster, particularly in the UK.

There are lots of reasons why it's a disaster. Government can borrow money at a better interest rate than corporations. Corporate shareholders expect a return of 15% to 25% profit. A third factor is the cost of all the lawyers and consultants involved in all of these negotiations. You may think that's a small sum of money, but let

me just give you an example. The first 18 PFI initiatives in the UK spent £53 million—that's over \$110 million—on consultants.

Am I boring you, John?

Mr O'Toole: No, no. I'm referring to something.

Mr Ryan: The lawyers alone got £24 million—that's \$48 million—from the contract for Coventry's Walsgrave Hospital; 17,000 pages of reports, and the consultants actually asked the government to help pay for the reading of these particular reports.

Long lease agreements, 25 years: the government may avoid the appearance of capital spending by paying over 25-year lease periods instead of borrowing upfront, but the taxpayers are always on the hook.

We discovered that in the UK there are fewer beds for patients and fewer jobs in privately built hospitals than for the same amount of investment in publicly built hospitals.

Private investors also save money in hospital construction through shoddy building practices and inappropriate facility design. In Durham, UK, for example, the PFI hospital staff complain of the terrible heat that leaves patients on respiratory wards gasping for breath. Building design requires staff to drag soiled linen and waste through the wards. The pharmacy has been designed without a waiting area and is squeezed right up beside the mortuary, so patients have to contemplate dead bodies going by while waiting for medication. Ambulance bays are so small that a bottleneck is created if four ambulances arrive at the same time.

There is no accountability. There's secrecy of the contracts. Contracts are from 25 to 35 years and can't be reversed, and of course any mistakes that are made cannot be reversed. In particular, we've got some serious concerns around NAFTA and GATS, where we believe that once we privatize these facilities, we'll never be able to bring them back into the public sector. That's a viewpoint that's been circulating for quite some now in the public sector.

We also have evidence here in Canada. Auditors general in most provinces have severely criticized these PPPs and said they're not in the interests of taxpayers. In particular, in Nova Scotia there were some schools being built using this PPP model where the government actually had to scrap the whole notion because they said they could have built an additional five schools for the costs incurred by building 15 schools using PPPs.

So we think this is a really bad deal and one we would seriously hope your government will take a look at, particularly in light of the Ontario Hospital Association's presentation yesterday where they say they're \$1 billion short in the system. We think that money would be much better put into front-line services rather than into the pockets of consultants, lawyers and corporations trying to get their share of taxpayers' health care dollars.

A second area we'd like to take a look at is chronic care. We believe that government is cutting back on these vulnerable patients through a backdoor route, redesigning chronic care beds, which receive a certain level of

funding, nursing and services, to long-term-care beds, which receive much less funding and thus can't provide as much nursing care or programs to patients.

Three chronic care facilities—St Joseph's in Guelph; the Perley and Rideau Veterans' Health Centre in Ottawa; and the Malden Park Continuing Care Centre in the Windsor Regional Hospital—are all currently affected by this process. Studies conducted by PricewaterhouseCoopers show that Ontario's long-term-care facilities have fewer hours of nursing care than most jurisdictions in Canada and many in the US. It is clear that the redefinition of chronic care beds from complex continuing care to long-term care will create a crisis in care for very vulnerable residents of Ontario. We don't believe this is one of your great "Bright Ideas," as this budget has referred to. We think this is dragging health care back into the Dark Ages.

We'd also like you to take a look at community care access centres. Clearly this is an area where the government's policy has been an absolute disaster. CCACs are rationing health care to vulnerable citizens in their communities at a time when people are being kicked out of hospitals much more quickly through a revolving-door syndrome.

CUPE has done an analysis of what's actually happening. Let me focus just on one community if I could, Windsor, where prior to the Tories coming in and setting up their CCAC model and privatizing home care services, most of the services in that community were operated and run by VON and the Red Cross. Today, in place of those, we've got eight private sector companies, all with their own CEOs, all with their own finance directors, all with their own human resources directors, all with their own front-line managers, all sucking money out of the health care system. We've estimated that approximately \$240 million, almost 25% of the budget, is being absolutely consumed by bureaucracies you've put in place, whereas before we had non-profit agencies and non-profit organizations sharing information among themselves.

The nature of the system you've put in place with community care access centres lends itself to secrecy, no openness with respect to the tendering of contracts, these companies not sharing information between themselves, no common database, and, as I said, a massive bureaucracy which is being supported by \$240 million that is actually coming out of the pockets and coming out of the health care provision to vulnerable citizens in our communities—a quarter of a billion dollars being wasted on your bureaucratic CCAC system.

Just to demonstrate and highlight how bad it is, just before Christmas you passed a special piece of legislation waltzing into these CCACs, taking control, kicking off the democratically elected boards of directors and appointing some Tory hacks sitting in on these agencies supposedly to run the CCACs, because it's a complete disaster and you know it's a disaster. If you really want to save some money in this budget, take that quarter of a million dollars, reinvest it back into the public sector and

non-profit agencies where the citizens of that province can get some decent home care provided.

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I'd like to talk about the education sector for a few moments, if I could. Last year's budget included the tax credit of subsidized private school tuition. Estimates on how much the tax credit will cost when fully implemented may vary from \$300 million to a billion dollars, depending on how much people access this new privatized system. It diverts money away from the public school system. The Minister of Education repeatedly claims that we're spending more on education than ever before. The claim is untrue because it fails to take increased enrolment and inflation into account. Funding on a real per capita basis has actually been reduced by nearly \$2.3 billion, according to the CCPA, the Canadian Centre for Policy Alternatives. The Ontario Public School Boards' Association estimates that there's an annual shortfall of \$1.1 billion. Even the directors of education from every school board in the province, 72 school boards, have written to Minister Ecker outlining their concerns about the inadequacy of the funding formula.

Just to give you a small synopsis of what these folks are saying when they write in to the minister: the Bluewater District School Board is looking at a \$3-million deficit for next year and is contemplating closing up the 15 schools. The Thames Valley District School Board is facing a \$5.2-million deficit, and that's after dealing with a \$6.6-million shortfall last year. The Thames Valley school board was recently in the news when it was learned that it was charging user fees for core subjects such as math and English at some of its schools. The Windsor Catholic school board will have to deal with a \$2.5-million deficit after making \$3.8 million in cuts last year. The Ottawa-Carleton District School Board is at a \$35-million deficit, a gap so large that staff recently recommended cutting busing for all inner-city residents, including kindergarten students. The Toronto District School Board deficit could be as high as \$150 million next year, which may cause all the city schools' pools to close, among other cuts. This board has already cut \$268 million from its budget. So clearly you can see that education in this province is in a crisis situation and desperately needs some dollars. They don't need public sector money going into a private sector concern.

The last issue I want to talk about briefly is electricity. The provincial government's electricity deregulation and privatization program will be an economic disaster for Ontarians. It's ironic that the symbol for the ministers' budget consultation, Bright Ideas, is a light bulb. If you go ahead with your plans to privatize and deregulate electricity, it may become the symbol of your worst idea and not a very bright idea at all. With deregulation, Ontario residents, businesses and public institutions will see their electricity rates double and the cost of almost everything Ontario produces increase in price. Electricity isn't confined to a single sector of the economy; it affects everything from hospitals, schools, cars and coffee to hockey rinks.

Just to give you a sense of the two major reasons we believe electricity rates will double under deregulation: they are the sale of our electricity system and competition against Americans for Ontario electricity. Clearly, electricity in every jurisdiction in the US is higher than what it is here in Ontario, and we're competing against those interests, particularly the states that border on to Ontario. We will be forced, through this so-called market economy, into raising our electricity rates on the spot market to the level that's being charged in the United States. The system is open and ripe for manipulation in California. I was there not so long ago taking a look at what they've got, the disaster they have on their hands. Clearly you'll have suppliers who are shutting down their generating stations and their generating plants at a time of high peak and high demand, allegedly because of maintenance outages, only so they can drive up the price even higher.

The Ontario government is also selling electricity systems to foreign transnational corporations after transferring most of the systems' debt to the province. The government plans to have electricity consumers pay the transferred debt. The Provincial Auditor has said that the taxpayers are at risk for paying this debt if the government's deregulation plan doesn't work. I can't hear one single expert on any side of this debate saying that this is going to work.

One way or the other, as electricity consumers or taxpayers, Ontarians will be forced to continue paying off this debt long after the profit-making parts of the electricity system has been sold off and the new owners walk away with their profits, rather than paying off the debt and financing government services as their public system earnings currently do. In addition to retaining most of the debt, the government is also keeping most of the risks associated with these electricity sell-offs. For example, the government has retained the responsibility for decommissioning the eight nuclear reactors at the Bruce station that it leased to British Energy. Also, the price paid by the new owner in this forced lease was outrageously low. American nuclear power plants, even those that are older and smaller than Bruce, are going for 10 times the price per unit of capacity that British Energy paid to Ontario for the largest nuclear power plant in the world. Seniors and others on no fixed incomes would be among the hardest hit by these rate hikes. The main groups that stand to benefit are financial services like the banks and very scary energy traders modelled on the Enron model.

Clearly, we think this is not a bright idea. This is not something that we believe we can afford in this province. We indeed sincerely believe that. We're not necessarily calling for a system that's exactly like the old Ontario Hydro, but we would like to see an investment in green power, not in greed, and we would like to see a publicly run system where the consumers of this province are protected. Many of them today are criticizing your privatization plans where industry will be able to have power at cost.

That's something we've had in this province for 92 years. I've not heard a great clamouring from the business community or from consumers, saying that we should trash the system we have in place today. I guess Ontario is regarded as the economic engine of Canada and we have indeed been producing power at cost. I think I know a little bit about this. I've worked for Ontario Hydro for 17 years. I've been on the payroll for many years at Ontario Hydro and I don't see or hear the clamouring from the public that you're suggesting is out there. Yes, there were some problems with Ontario Hydro, but the solution you're coming forward with is not in the interests of taxpayers, is not in the interests of consumers and is certainly not in the interests of the business community. That will become all too clear once this deregulation is in full swing.

Those are most of the comments that we've got to make for now. I'll be happy to entertain any questions.

The Chair: We have one minute per caucus.

Mr Christopherson: Welcome, Sid. Another excellent presentation. I'm going to go to the CCACs; I could pick any issue you've done here. I want to give you an opportunity to talk about the impact of underfunding and therefore lower wages for the home care workers and what that means for consumers, in terms of the people who work for the agencies, not having a decent income, not having decent benefits, and the working conditions they're under. What does that mean at the end of the day for the average consumer, the other average citizen who is receiving these services?

Mr Ryan: I'll pick as an example any one of the cities that border the US. I'll pick Windsor because it's one we're familiar with.

In Windsor, when the VON and the Red Cross were delivering home care services, they were being paid a wage—the nurses in the system, for instance—that was comparable to nurses in the hospital system. When they moved to this model of privatization, of course the companies they use—one company from the US, by the way, that had been charged with defrauding the health care system in the US waltzes into Windsor and wins the bid for most of the contracts. They decided to cut wages by five bucks an hour. All the nurses and health care workers said that they would refuse, because these are professionals and post-secondary educated. They refused to work for \$5 an hour less and they left the system. They went into the US, into the Detroit hospitals. In other words, Canadian taxpayers' dollars, Ontario taxpayers' dollars were used to train nurses and health care professionals for the system in the US. The Detroit hospitals came in and had on an organizing drive and took many of these workers away.

The remaining nurses and health care professionals moved into the hospital system, to the point that the CCAC made a presentation to the Ontario government on, guess what? To raise wages by five bucks an hour, to say that they cannot attract any health care workers into the home care profession any longer.

So now there is a great drive across the province to try and raise wages so they can attract the workers back into

the system, much like the Tory government's fiasco with nurses when they equated them to Hula Hoop workers and said they were no longer required in the health care system, "So let's get rid of 10,000 nurses." We paid them massive severance packages and then we had to initiate organizing drives in the US and elsewhere to try and attract people back into the nursing industry. That's exactly what has happened to the CCACs and home care. It's a complete disaster.

The Chair: Thank you very much.

Mr Ryan: We wonder why dollars are being just ripped off by private sector concerns.

The Chair: We have to go to the government side.

Mr Joseph Spina (Brampton Centre): Mr Ryan, good morning. Thank you for coming, as usual, with your perspective.

Going through your presentation, there is one statement you made here that, you may be surprised—hold on to your chair—I agree with, and it's that private hospitals are a bad idea. But your fundamental error is in assuming that William Osler will become a privately owned and privately operated hospital. That is fundamentally wrong because it's against the Canada Health Act.

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You've heard of "build to suit" in the construction industry. That's all that is. The building would be built to suit the operations of the hospital. Do you understand that William Osler will continue to be a publicly run, publicly funded and independent unit, just as it is now? The difference is that the hospital building—and the land is owned by Osler, by the way; those are the facts—will be built by the private sector but the operation is continuing to be publicly run, publicly funded. So there will be no risk to the organized unions within the operation of the hospital. Wouldn't you agree that there is nothing wrong with that?

Mr Ryan: This is news. This is new Tory policy being made on the fly.

Mr Spina: No. This is not Tory policy on the fly. Those are the facts. Check them out.

The Chair: One conversation, please.

Mr Ryan: Excuse me, Chair, could I answer the question? I think he's rambled on long enough.

The Chair: One person has the floor.

Mr Ryan: Given that we've now got new Tory policy we'll hold you to this, Joe, because you're on record. In Ottawa we've been told, and the public announcement was, that indeed the hospital will be built by the private sector and the services also will be provided by the private sector.

In fact, just last week I was at a demonstration down at the Chedoke hospital in Hamilton. You may sneer at this all you like, but down in Hamilton they've actually tried their damndest to bring in the private sector to deliver all the public services in the hospital that we currently have today, certainly food services, maintenance services and so on.

So what you're saying is not true, that it will be publicly run and publicly operated. Indeed, even if that

were true, it has been proven by the auditors general in every single province that the taxpayers are on the hook for the actual building of these facilities where you've had these PPP initiatives. It's not rocket science, Joe. You go out and try to build a facility and lease it back to the public over a 25-year period, and after 25 years the public is being ripped off by this.

It enables you to get the debt off your books. It doesn't show as capital cost. You might be able to come in and balance your books, but you're trying to balance your books on the backs of the taxpayers of the province through surreptitious means.

The Chair: With that, I have to bring it to an end. Mr Phillips.

Mr Phillips: Thank you, Mr Ryan. I always laugh, and it's interesting that when they don't like what they're hearing, they kind of shout at you.

We can only get one question in. Mine is on the substantial funding—I think it's \$500 million—for private schools at a time when everyone understands that our public schools are under enormous stress. This came right out of the blue. We had pre-budget hearings last year and not a single person mentioned this, and then suddenly in the budget there's \$500 million for funding private schools. What are your members' feelings or yours on why the government at this time would be proceeding to fragment our public schools and put substantial monies into private schools?

Mr Ryan: Frankly, they're in a state of shock about this one because we've got roughly 45,000 support staff. That's everything from educational assistants, for example, who provide services to children with special needs—and we're seeing where before we would have had at least one EA per two or three children with disabilities in need of desperate front-line services, that's now been slashed. EAs are being laid off. In other words, there's no money in the system. To hear the government come out and say, "We've found \$500 million to \$1 billion" to just hand over to the private sector, thereby starving the rest of the public system—and I've gone through many examples of some of the school boards where they're facing deficits in all of the schools—they're beside themselves that this could actually be happening.

You've got parents' groups coming forward, talking about the state of filth in the schools, and vermin—rats, mice—and black mould, you name it. Pent-up demands for maintenance costs in all of the schools are not being addressed, and then they turn around and say, "We've got \$500 million to \$1 billion" to give off to the private sector. It's just outrageous. It's criminal, actually. It's bordering on criminal activity, I believe, to do that and to allow the public system to fall into such a state of disrepair and decay.

We see it. Our members live it every single day of the week. They work in those schools. They see the filth; they see the dirt; they see the uncleanness; they see the health and safety problems. Thank God there are some citizens' groups coming forward not just from, as the

Tories would like to believe, the usual suspects; you've actually got people coming in from Rosedale who are saying, "We too are experiencing that in our school system."

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair: Our next presentation is from the Canadian Federation of Independent Business. I would ask the presenter or presenters to come forward, and if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Catherine Swift: Good morning. Thanks once again for inviting me to appear. My name is Catherine Swift. I'm president of the Canadian Federation of Independent Business. My colleague Judith Andrew is playing the techno-geek at the moment, attempting to set up our PowerPoint presentation.

As that's happening, I just want to mention some of the items we've included in the kit that are germane to what I'd like to speak to today, which is the overall economic situation in Ontario as we see it from the small business standpoint. Your kit includes, on the right-hand side of the folder, the Ontario Small Business Primer. There are a lot of interesting basic statistics in there relating to the small business sector in Ontario. On the left-hand side are some research pieces we have done. The first one, Help Wanted, is on labour shortage issues; we have our national study; and then, under that, there are Ontario-specific data on a number of aspects of it. Following that, we have our 2002 business outlook and, after that, the Ontario-specific version of that particular document. Also, we've included a black and white copy of the charts we're going to present to you in smaller version, with some ability to make the copious notes I'm sure you'll want to be taking on this presentation.

I might just make a couple of comments about the CFIB. We've been here before, and my capacity today is as a so-called expert witness. My colleague Judith, interestingly enough, will be back this afternoon for a more conventional appearance. I'm going to try to stick to the overall economic situation and highlight a few issues, but she will be getting into a number of policy issues in more detail later this afternoon. We're hoping not to overlap, to the extent possible.

As I suspect you all know too, virtually all of the data behind the work we do are based on surveying our small business members across Canada. It is very much an amalgamation of the point of view of that sector. We currently have just over 102,000 members across Canada, 41,000 of whom are here in Ontario. Sectorally, we very much represent the economy in that our members can be found in all sectors, all regions, rural and urban, so we end up getting a pretty interesting perspective on what's happening with the sector.

In terms of the main items I'd like to touch on, the first one is the role of small- and medium-sized enterprises, SMEs, in the economy. I'd like to speak to the outlook that our members see for the economy. I'd like to just briefly touch on some policy priorities for this year and some more medium- to longer-term concerns that we thought it was worth raising as well.

In terms of the role of small businesses, it's kind of interesting. As an organization, we're actually in our 31st year. About 25 years ago, the small business sector represented about a quarter of Canadian employment and gross domestic product economic activity; now it's about half. So there has been a huge increase in the role of the small- and medium-sized business community over that period of time. This has been driven by many, many different phenomena: technology, of course, has permitted smaller firms to thrive; the downsizing of large corporations; in some respects, the public sector has downsized at certain times and outsourced certain things to the private sector; we saw a huge influx of women into the labour market in the 1960s and then in the 1970s and 1980s we saw them starting up businesses as a logical progression; and the service sector grew a lot.

There were an awful lot of trends that drove this growth of the small- and medium-sized business sector. A number of interesting results arise from that. We've started referring to our members as the non-stock-market economy. As we all know, the stock market has been gyrating wildly over the last year or so, after a number of years of pretty stellar gains. Of course, when you look at a large firm that is dependent on its stock value listed on the stock market and suddenly—often for reasons driven maybe not by long-term thinking, shall we say, but by some short-term concerns—lays off sometimes tens of thousands of employees because their stock price is cut in half, that business may well be forced to make a decision that really isn't in the long-term interest of that particular business.

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I speak to a lot of our members on an ongoing basis, and one of the criteria of membership in CFIB is that it is not a publicly held company; it's a privately held firm. Of course, they end up having a lot more control over their business. Post-September 11, for example, when we saw a lot of layoffs and worrisome headlines in the business press, I spoke to a lot of our members and said, "Are you planning layoffs?" and they said, "Well, things have slowed down a bit for me but, no, I'm not, because I know I'm going to need those people in six months or a year or whatever it is, when things start ramping up again."

We are increasingly seeing the role of the small- and medium-sized business community in Ontario and Canada as a stabilizer to the wilder gyrations that we see in the large corporate sector because of some of these trends being driven by their stock market value, which often forces them into some decision-making that really isn't necessarily all that positive. We believe it's an interesting phenomenon to comment on, because of

course a number of policy implications fall out of the increasing role of small firms and the fact that they very much offset and stabilize a lot of the wilder gyrations. We should end up with a business cycle with fewer extremes in them, for example, as one outcome.

Something we have emphasized very much, and not as a surprise to anyone, is the key importance of business and consumer confidence. Governments of course can have a huge role in either destroying or bolstering that confidence level. Certainly the post-September 11 environment was a good example where everyone felt shaky, for good reason. We believe a number of governments sent out some encouraging messages and that helped to build up confidence. Consumer spending being 60% of our economy, as we know, when consumer confidence drops off, it has an amazingly quick negative impact and, of course, the downward spiral that ensues from that.

All of these observations on the role of small business clearly have major policy implications. Here are some of the data just for Ontario, for example. This is only over an eight-year period, but even in that not-too-extensive period, overall we see the small- and medium-sized business sector increasing their share of the pie, and as I mentioned earlier, relative to 25 to 30 years ago, it has roughly doubled.

In terms of job creation, the other thing that's worth reiterating—I know we've said it before but we'll say it again—is we still see the lion's share of jobs created by small- and medium-sized firms. About half of those usually accrue to new businesses in the economy and the other half to growth in existing businesses. So part of it is enterprise creation and part of it is growth of existing enterprises.

In this particular chart, the number is two thirds of jobs in the year 1998; 1998 was quite a good year for job creation, as you may recall. What we find more dramatic is, when you look over time, on average over a 10- to 20-year period, we see smaller firms actually creating about 80% of the net, because in a downturn, there is a hugely disproportionate amount of job losses that come from the large corporate sector. So that's good news as well. If the role of the small business community is growing and they're creating the vast majority of new jobs, then presumably over time we should be seeing some improvement in the employment market generally.

The other interesting thing that the fellow who spoke before me might not agree with—this is data from a public opinion poll; it's not our data. These kinds of polls have actually been conducted repeatedly by the various polling companies and so on. In terms of workplace satisfaction, overall, "self-employed" is number one by a good bit and "small businesses" is number two. When we've done these polls, we've probed into why this was, why people were happier, and it tended to deal with a lot of the intangibles: more flexibility in their workplace, the sense that they contributed more because they didn't feel like a cog in a wheel; they liked the fact that they often worked side by side with the owner of the business, so they felt they had much more say in terms of what

happened in that business. It was a lot of intangibles. Typically it was true that their salary or compensation wasn't as high, but nevertheless they still felt more satisfied overall in the smaller-firm setting. That's good news as well.

Mr Phillips: Are the politicians down there in the public sector?

Ms Swift: It was so small that we didn't even include it on the chart, Gerry. They'd be in the public sector lump, wouldn't you think, Judith? In any case, public sector is not high, but we also know that highly unionized environments tend to have higher dissatisfaction rates, because of course the whole *raison d'être* of unions is to make people dissatisfied. That's how they grow their membership.

Mr Steve Gilchrist (Scarborough East): Hear, hear.

Ms Swift: I know. The truth hurts.

The 2002 outlook is interesting. CFIB does regular surveying on the economic outlook of our members in any event. But we really cranked it up in terms of frequency post-September 11, because there was so much uncertainty. We actually surveyed our members weekly for two months after September 11. We surveyed them via e-mail so we could get incredibly rapid feedback of the data. We found much more optimism among that sector than you would have thought if you were only reading the business press, which was all doom and gloom, as it sometimes is. Interestingly enough, what we've seen happen in the economy, as we've got the official stats from Statistics Canada and the US agencies and so on, is that our members were darned right, which was good, because they were more positive than anybody else. Of course we didn't have the recession everybody was muttering about last year, as we saw with the GDP data that came out last week, because we economists define it as two quarters of negative economic performance.

Mr Gilchrist: Gerry Phillips tried, but no one believed him.

Ms Swift: Seemingly everybody loves to trot out the negatives. We were doing our best not to be a Pollyanna about it, but we were getting that feedback from our members consistently and regularly, and it wasn't changing, and so we were reporting those data. Indeed, I have here our most recent data on the economic outlook, as seen by small and medium-sized firms, and it remains quite optimistic. They're not expecting a banner year, but they are expecting a decent year in the Ontario economy and nationally as well. As you can see, a good chunk, basically the vast majority, believe we're going to see either similar or stronger growth this year as compared to last year, and they believe it's already happening. Some of the data we've seen are already backing up that type of outlook.

In terms of where Ontario sits relative to other provinces, it's kind of in the middle of the pack. In terms of the stronger side, it's up toward the top, but then there is a larger chunk that believes we'll see a little more weakness—certainly a decent showing in Ontario relative

to the rest of the country. So our members are not despairing of the economy generally.

When we look at the sectoral outlook, the financial industry has the strongest expectations, business services and so on, and even the manufacturing sector. Parts of the manufacturing sector have been hurt; there's no denying that. A number of the primary industries, agriculture being a notable example, have been hit pretty hard by climate conditions and a number of other international trade issues and so on, and primary products as well. Commodity prices are still pretty depressed in a lot of areas. Nevertheless, overall we see the expectation of a reasonably decent year. Given that this is half the economy, the likelihood that this is accurate is pretty strong.

We also have the growth rate by province here. Ontario is kind of in the middle of the pack. This is always a bit of back-of-the-envelope, but we did estimate that if we see overall national job growth of 3.6%, which is what these data suggest, that will translate into about 250,000 new jobs nationally. Given that Ontario is not the most optimistic but pretty much bang on the average, we wouldn't be surprised to see 75,000 to 100,000 jobs created in Ontario this year. And these are, after all, the job creators we're talking to.

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We also asked them about what they expected to do with their wage inflation and price inflation. In terms of wages, as you can see, over half expected they would be paying increases to their employees equal to or above inflation—so reasonable increases there—and just under a third didn't foresee any change. So at least there's some stability and also some increase on the wage front, which is positive from the consumer side, and they weren't naturally expecting too much in terms of inflation on the price side, in most areas anyway.

We were intrigued, because we haven't asked before, about the effect of the value of the Canadian dollar, and it was very much a mixed bag of responses, which was interesting. Certainly a lot of our exporters would benefit from our low dollar in a short-term sense, which is reflected by a certain proportion here. Just under a quarter liked the low dollar, but another slightly larger chunk felt they wanted to see an appreciation of the dollar. The majority felt they weren't directly affected, but of course we're all affected, albeit sometimes indirectly. I guess what disturbs a lot of our members right now about our seemingly consistently declining dollar, when we look over the last 25 years or so, is that it simply means a lower standard of living for all of us in the long term, although it may well have short-term-gain effects for people whose businesses are exclusively export.

Those are just some of the highlights of some of our recent economic statistics that suggest our members are expecting a not-too-bad-at-all year in 2002, and they're acting accordingly with respect to wage increases and investments and so on.

Looking at some of the sort of overarching priorities on the fiscal side, naturally a number of provinces are

coming under a squeeze right now for a number of different reasons, most of which seem to be linked to increasing cost pressures, health care being number one, but also other areas. There's no doubt that the federal government didn't do any provinces any favours with what they did with the transfer payments on health care over the last number of years. It helped their finances a lot, mind you, but it didn't help the finances of any other level of government, not surprisingly, as the problems just got pushed down.

That being said, we believe the notion of balanced budgets has been a huge confidence builder for Ontarians, for Canadians generally and certainly for businesses. Businesses are acutely aware and concerned about fiscal indicators such as balanced budgets. We believe everything should be done to avoid going back into deficit. We still believe there's a lot of spending on non-essential areas, and, as we know, there are many, many different possibilities to deal with there. For example, we've always advocated totally eliminating subsidies to business. There are still subsidies to business built into all kinds of regional agencies and entities and so on, and although it might sound counter-intuitive, our members have never believed that was a good way of spending taxpayers' dollars.

Of course, we see practices seemingly expanding in some areas. For a long time, we have opposed governments having union-only procurement practices. When the amalgamation of the school boards and everything took place a few years ago, a number of our members who had done a perfectly good job, say, installing windows in schools or whatever suddenly couldn't do that work any more. Of course, that drives costs up. I hear about costs in education, and yet they persist with practices like that. Well, clean up your own house before you start complaining about the lack of funds. It's not only incredibly unfair that these businesses are subsidizing their competitors via their tax dollars, but it is unconscionable that taxpayers should be paying more for these kinds of things, and at the same time we have all the complaining about how there aren't enough funds in these areas. And this, of course, goes for governments at all levels that have these policies built into different areas. They're inequitable in the extreme and just plain stupid from a financial standpoint.

As you can see from the next chart, debt repayment remains the number one to people. There's no question tax reductions were welcomed by our members, but when we asked them to rate what are the most important fiscal priorities for them, debt repayment comes out number one every single time. Debt is simply future taxes, as we all know, and the inability to provide services as we continue to spend—I think in Ontario it's about \$9 billion a year in debt financing charges. I'm sure we could all think of lots better ways to use that kind of money.

In terms of when we do look at spending increases, not surprisingly—and this is where our members tend to come out, I would suspect, in the same place as the vast majority of other Ontarians—health spending obviously

is a priority area. Everybody perceives that. Following that, we start getting into education and the whole infrastructure stream. But looking back at the previous chart, of the three areas—debt repayment, program spending and tax cuts—program spending is the lesser of the three areas for priority. So clearly there are selected areas where our members do feel spending increases are justified.

In the general area of tax issues—and I know Judith is going to be getting into some more detail in a number of these things this afternoon—the property taxes are number one in Ontario for our members. It's not the case across the country but, as we've said before, it's a very complex area. We don't underestimate the complexity of that whole mess, which has been allowed to become a mess for decades and decades. Successive governments have basically wimped out about doing anything about it. The current government has to be commended for doing something, but of course it's one of those issues where you're probably going to make half the people mad at you no matter what you do about it, and I think that has probably come to pass. But it sure needed reform badly.

Our key issue has always been that we need to start to at least narrow the gap between the small business sector generally and the whole residential area. I don't want to digress on that at the moment, because there are a lot of possibilities there as to how to do that. We're certainly not advocating—cranking up the residential taxes obviously isn't very politically realistic, but we do believe over time to start to bring that gap down is feasible, and of course continuing to crank taxes up on the business sector isn't a winner in the long term. It might seem OK politically in the short term, but ultimately you're punishing your wealth and job creators in the economy, which doesn't seem to be a good long-term strategy.

We still do remain uncompetitive in a lot of areas, a lot of tax areas. We are active at all levels of government, as you know, but there's no question the tax cuts that are planned in the US economy are going to put the pressure yet again on Canada, to look at those and attempt to become more competitive in the tax area. We've had some improvements, though, which is moving in the right direction. But when we talk about a number of the overall macroeconomic issues and productivity, taxes can't be left out of the equation.

Payroll taxes are more of an issue for smaller firms, as we've said before, and they continue to be problematic. We've seen some slight reductions in some of them. Of course here in Ontario the EHT exemption for smaller firms was very, very welcome. We've seen some EI reductions federally, but then of course CPP increases have been very stiff the last number of years and have overcome reductions in some other tax areas.

A last issue that, again, we've mentioned before is the whole area of tax administration. We've done a lot of work over the past few years, extensive briefs on the subject, and so on, and there has been progress. So, again, not to say there hasn't been progress, because there has, but the retail sales tax remains such a con-

fusing mess. There is seemingly a resistance to sharing information or giving opinions to people that they can count on and things are never given in writing. So a lot of it is just a lack of accurate information on so many of these issues. Of course, somebody makes a mistake, not knowing what the right way to do something is, and gets whacked with penalties and interest and back payments or whatever. So there's a long way to go.

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We deal across the country, and Ontario has one of the worst tax administrations in this country. Like I say, we have detailed the problems extensively in a number of briefs. But the main thing is, as with any change in the bureaucracy, there needs to be political will to improve the situation. So we have seen some progress. We would simply encourage: please keep on the case or there will be problems with slipping back and not making the progress that we need to make.

It's frankly unfair. We've seen this in Ontario. It's not the only one where we've seen it, but there's such a bias toward the auditing side as opposed to at least trying to push things out on the—there has to be auditing, and nobody's questioning that, but there is a terrible bias toward that as opposed to properly informing people as to what the rules are in the first place. Presumably, if you did that, you wouldn't need the same focus on the auditing side.

A continued problem issue is the whole WSIB. This is an ongoing challenge. The elements of it may change, but it certainly seems to be a bureaucracy that often is too far away from the accountability of government.

A number of the current issues I'll just touch on briefly. This review that the board is undertaking of coverage, sectors that currently are not covered under WSIB, sets off a lot of alarm bells. First of all, given that they are a monopoly, Ontario businesses aren't permitted to get insurance coverage under any other—

Mr Gilchrist: It scares you too. Don't worry.

Ms Swift: Yes, but the government is ultimately responsible for it, despite the fact it's an arm's-length agency. These coverage issues, we don't believe there has been proper work done to demonstrate that there would be any benefit from it. It would certainly improve their monopoly, from their standpoint, so I can see their perspective here. But if you do start taking in industries like financial services, you're not going to pay off your unfunded liability any more quickly because those firms—they shouldn't be asked to pay for unfunded liability that has been built up by other sectors. You're going to have new claims coming in from those sectors, so from a financial standpoint there is no logical argument to say you should be extending that coverage. Premiums are of course still a problem. There are always issues about different kinds of injuries or illnesses, environmental injuries and so on—"environmental illnesses" I guess is more accurate—that have a dubious attachment to the workplace, constantly being looked at, put under the rubric of WSIB. Their bureaucracy continues to be one of the worst for our members to deal with. We get

huge complaints all the time about just getting information, the usual types of issues.

Another current concern is the whole area of the definition of "independent operators." This is always a bugbear of one kind or another. But the not surprising tendency, or not surprising clear preference, of the WSIB is basically to describe everybody as an employee: there, you've taken care of it, and everybody therefore is covered under WSIB. But obviously there are many, many legitimate independent operators out there. They're virtually your entrepreneurial sector, which I don't think anyone would really want to quash. What we really need to have is a fair test that is based on sensible criteria. The other thing is, it should be somewhat consistent with other definitions of "independent operators" that take place in other areas of government and legislation. So that's another alarm bell that we see in that area right now.

A lot of our issues, too, seem to arise from problems with coordination between the federal and provincial governments. Of course, Ontario is not the only province that has these challenges, but right now we see a lack of co-operation that is pretty profound in a number of areas. Some examples—and there are many, many examples: why is Ontario the only province that currently lacks a training agreement? It seems to be a spitting contest, from everything we can see. We're not blaming—in fact, we are blaming. We're blaming both parties because we're active at both levels and we feel there just seems to be a desire not to play ball on that one. That's constraining an awful lot of the community colleges and the various educational institutions and so on—to be able to move forward with a number of programs. So we don't see that as a winner.

Our ongoing problems with internal trade in this country are such a self-inflicted stupidity. There, I believe, political will is lacking on many fronts, but I think in the past Ontario has actually pushed on that file and that has been very welcome. I would encourage you to continue doing that. It's kind of a sleeper issue. It's never going to be on your hit list or your top 10 or whatever, but it's a very important issue for small firms and it's an absurdity that many businesses can trade more readily with the US than they can with their bordering province.

The whole privacy legislation is another interesting case in point of an area where the notion of going alone and doing your own thing and therefore having a number of different types of legislation that a business has to contend with. Why can't there be collaboration so that there can be consistency between different pieces of legislation of different governments, because the federal government has privacy legislation as well and so on. There, the lack of consistency is the issue.

Those are just some examples. Goodness knows there are many more.

Another key problem we see looming, which doesn't get anywhere near enough attention, to our thinking anyway, is the whole labour shortage area. Naturally, finding people with the skills a business wants and so on is

always a challenge, but it's been worsening over the last 15 to 20 years for a lot of different reasons: demographics, technological change, phasing out of certain skill sets, bringing in of other skill sets and so on. But we are currently faced with major structural unemployment problems. We might think it's limited to any one sector but we've done some pretty comprehensive research, and that's this Help Wanted piece that's included in your package. We've found it's problematic right across the country. In areas of the country that have high unemployment rates there are still major labour shortages. So it's by no means simply a function of the business cycle.

This is just a graph comparing—the heavy line is the inability to find people, basically a shortage of qualified labour, and the thinner line is the unemployment rate. So there's no question that in a very strong economy you have a harder time and in a very slow economy, such as we had in the early 1990s, you have a better time. Nevertheless, you still see persistently high levels of labour shortage problems.

We looked into such things as what levels of experience were hardest to find, and I'm just going to zing through them because these are all in your package. We did break it out by industry. We looked at the level of education that was hardest to find. Again, it's across the board. There are problems at every level of education.

This was an interesting one: we asked what they felt were the most important skills or qualities in their employees. A lot of people seeking employment, and young people as well, would benefit from this, because a lot of these are sort of the intangibles. They are certainly things like computer knowledge, writing skills and so on, but an awful lot of them are these intangibles that are more work-ethic related, really: willingness to learn, to stay at the business and so on. So that was kind of interesting as well.

Not surprisingly—and we've had consistent data on this over the years—the informal approach to training is the most widely used. A firm of five people isn't going to have an in-house training department like a big company may. They are less likely to send somebody on a week-long course or something, although they do that; a third do a formal approach. But the majority still have on-site training in the business, often by a colleague or whatever. There are a lot of policy implications.

We have a training tax in Quebec, as you're probably aware, and after a few years of operation now they have realized that the smaller firms, even though they're training, don't qualify because of the way they've defined it under their rather rigid approach. As a result, the large firms and institutions, interestingly enough, get the lion's share of the tax rebates and effectively the smaller firms have to pay the tax but either don't complete the complicated paperwork required to get the rebate or don't fit their rigid definition. So approaches like that are very unhelpful; in fact, they're harmful to the small business sector.

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What was also interesting was, we asked if the business had been harmed by the shortage of qualified

labour. Did it actually create damage for the business? The majority—Ontario is on top there—said yes, they had experienced harm as a result. So these are real factors that have a negative impact.

Just briefly, some of our recommendations: naturally, there are major federal and provincial implications here in terms of aligning the programs and services that are available; the whole chunk of EI monies that are devoted to training, many of which we know—this isn't so much the provincial side—are spent for more political reasons than they are for any kind of sensible training and/or economic reasons; barriers to labour market movement, and part of that deals with interprovincial trade as well, are very problematic; the whole idea of education incorporating more in the way of co-op programs, apprenticeship and so on, we've had very positive feedback from members on those types of programs; the whole immigration area is another; and finally, reduced payroll taxes, because they're just job killers, and freeing up more funds through reductions in payroll taxes, and other areas as well, but to free them up for training purposes would be a positive step.

In the input costs generally, there are a number of areas of concern. Overall, inflation remains pretty good. A lot of commodity prices are pretty low, as we know, and interest rates generally are very low and look like they're going to stay that way for quite a while. Those are positive things, but the whole electricity pricing area is a big question mark. Many of our members are very concerned about it. It's very unfortunate because it has the potential to give deregulation a bad name, when we know deregulation can take place very effectively. But just like anything, things can go wrong in the process and people end up blaming deregulation when really it's a whole bunch of other factors that are at fault. We are very hopeful, but there's a lot of concern among our constituency out there that they will find drastically increased costs for hydroelectricity over the next little while. We don't know as yet, but there's a lot of concern.

Gas and diesel fuel pricing was a big issue. Maybe flip to the next one, Judith, to the chart of our members that over time identified these taxes as harmful to their businesses. Prices spiked pretty badly over the past year or so, so that would be one thing driving this, and there are factors over which we have less control in this area. But certainly we do have control over the tax area, and this is a growing issue for all sectors, but naturally for some particularly pointed ones such as transportation.

I also want to just briefly note the whole productivity area. The latest iteration of the productivity debate, which has been going on for a very long time, has been the release of these so-called innovation papers, one out of Industry Canada and one out of the HRDC, human resources, recently. Unfortunately, there's really very little of any substance in them; they are very neutral papers. But the subject matter is hugely important. We believe that there's really no mystery as to what we have to do in this country to improve our productivity, but there sure is a huge lack of political will. We want to

address some of the tax areas, regulatory burden, downsizing of government. We are still burdened with an immensely high cumulative tax rate in this country, despite the fact we have seen some decreases over the last few years. Financing rigidities, generally because of our very, very concentrated banking and financing system, and of course the labour market rigidities I noted earlier—again, I believe that although the federal government might have taken the current lead, it is in everyone's jurisdiction to be concerned about our productivity, competitiveness, whatever you want to call it. The co-ordination between the federal and provincial governments on this one hasn't been too happy either.

When we ask our members what their productivity priorities are, they are payroll taxes, income taxes, federal debt and regulations, and then a number of lesser priorities.

That is the end of my presentation, and I welcome any questions you have.

The Chair: We have five minutes per caucus. However, I have to correct the record. I think I said 20 minutes, but you did have an hour for your presentation this morning. I'll start with the government side.

Mr O'Toole: I'll probably share my time this morning.

Thank you very much for a very developed presentation. I just want to put on the record the work you do on behalf of small business. Judith, I know that members of the CFIB are members of the small business advisory committee looking at tax administration issues. Certainly on the issues of better communications, notices of audits and those kinds of things, we hear what you're saying, and I think I should thank you on the record for the work you're doing.

Don Drummond and other economists have reported to the committee that there are some serious challenges ahead of us in the next fiscal year; \$3 billion to \$4 billion is the number they're using. We have demands in health care running at about 5% to 8% annually; just before you, we heard education wanting about \$2 billion; long-term care—there are enormous demands. It's just unbelievable. What's your advice in terms of addressing these important social programs and the government's options looking at the deficit and other forms of deferred taxation? As you said in your presentation, all that really is deferred taxation, buying something you can't afford.

Ms Swift: Yes. We all know the deep soup it got us into in the end of the 1980s, and we did manage to dig ourselves somewhat out of the hole through the 1990s when we had a strong economy.

From the small business standpoint, as I mentioned earlier, avoiding going into deficit at all costs—maybe that's a little excessive—but certainly as much as possible, is highly desirable from a number of standpoints. I think it's so discouraging to people, because they believe we all did pay very high taxes and so on to get to the point where we actually could eliminate deficits, and I guess that felt worthwhile to people. Even though nobody loves paying high taxes, at least there was

some result that was tangible at the end of it. So I tend to think, and clearly our members very much believe, with the kind of priority you see them put on it, that that would be a huge step backwards.

I would think the health care area in particular is the major pressure point. It's very difficult, and I guess I'm trying to say it's not an easy row to hoe right now simply because of what's happening with the federal transfer payment side and the cost of health care. We're not health care experts per se, but we're actually doing a fairly detailed survey on health care issues in the next couple of months or so—we haven't got the results back—to get the priority-setting process from our members. We do already spend an enormous amount on health care in this country relative to other jurisdictions. Seemingly just throwing more money at it—and this is probably just stating the obvious—isn't the only way we can cope with that. On the plus side, the extent to which other policies you undertake—whether they're in the tax admin area, which again can reduce costs; if that's done properly, it can reduce costs. It's not in the billions, but you can reduce bureaucratic costs and create some real positives out in the business sector that encourage growth. The other side of the equation is how much we can boost the economy so the monies can be there through the revenue system to help with some of these spending pressures. I think there are a lot of things, many of which I noted today, that could be done to try to boost economic growth generally.

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The Chair: Mr Hardeman.

Mr Ernie Hardeman (Oxford): First of all, thank you for your presentation.

Just very quickly on the WSIB problem: yesterday we had a presentation from one of the construction groups who had a real concern about the amount of slippage in the WSIB, people who were not paying premiums for workers. Your suggestion here is the clarification of independent operators.

Ms Swift: Right.

Mr Hardeman: That seems to be the same problem among the people I deal with. We have too many people becoming independent operators, and they're only independent until they have an injury and then they're not part of the program. Is there anything in your analysis that would show that to be the fact?

Ms Swift: Something we've suggested, given that the WSIB is actually spending a fortune—what is it?

Ms Judith Andrew: Two hundred and twenty million dollars.

Ms Swift: Some \$220 million—you have to wonder about that—to put in a new computerized system and whatnot, why can't, as any employer does when they have extended health benefits—these days you just get a little card—that system be in place so you don't have these people? You can put in administrative measures that prevent that kind of silliness. We all know it happens. But if you say, "OK, I'm firm X. Here are my

employees," they have some kind of computerized means of defining who's in and who's out.

Construction is a challenge, of course, because people can legitimately be independent operators on some jobs and maybe not on others. So there are complexities in construction. But it seems that if you could define it upfront, then you wouldn't have this sort of back-door person saying: "I'm injured now; I want to be in, thank you very much." Specify it upfront: these people are in, these people are out and there we are.

The Chair: Mr Phillips.

Mr Phillips: Thank you for a very thorough presentation, as always.

On your chart you indicated that Ontario is not competitive on small business corporate income tax rates. The material we've been provided with from research indicates that in Ontario the small business income tax rate is about 19.5%, and in our competitors, which I assume are the neighbouring US states, it's about 34%. So 19% in Ontario, and 34% in the US. Are we working with the wrong numbers here?

Ms Swift: I don't think I specified corporate income tax, because corporate income tax is actually—which chart are we talking about here?

Mr Phillips: The chart says we're uncompetitive.

Ms Swift: I think it's more the overall tax mix, involving more than simply corporate income tax, that we remain uncompetitive on—capital gains and so on. I should have put some etceteras in there, I guess.

Mr Phillips: That's what it says on the chart. That's what your remarks said, but that's not the case?

Ms Swift: Yes, you're right. It should be a more inclusive definition of taxation.

Mr Phillips: We've got maybe a 14-point advantage or something like that.

Ms Swift: On corporate income tax? Yes.

Mr Phillips: OK.

Ms Swift: Corporate income tax, for what it's worth, is the lesser evil because, as we've said before, at least you're making money, and if you're making money, then you're paying tax. The non-profit-related taxes—property taxes, payroll taxes etc—are the ones that are more killers, because those really whack business when times are tough. Those are more harmful than income taxes.

Mr Kwinter: You just touched on an area I wanted to discuss. When I look at your productivity priorities for small and medium-sized enterprises, you don't mention the capital tax.

Ms Swift: Yes.

Mr Kwinter: We had representations yesterday saying that is probably the most onerous tax that encourages a disincentive to invest, because as you've just said, it doesn't matter if you're making money or not, you're still—

Ms Swift: Yes, it's another profit-insensitive tax.

Mr Kwinter: I imagine it doesn't have that great an impact on the small business person, but indirectly it does.

Ms Swift: It's still a stupid tax. You're right. It's like the chunk of our members who might say the dollar doesn't have a direct impact on their business. It may not, because they're trading in a regional area where they're not in and out of US dollars, but of course it has an impact on everybody overall, and capital tax is similar. On a priority list, you'll never find it near the top for small and medium-sized firms, because there's usually—whether there are thresholds in some jurisdictions, whether they just don't have the asset base to attract it or whatever. But you're right, it affects the whole economy. From a sort of tax theoretical standpoint, we certainly would advocate for improvements in capital taxes, but it isn't one of the priority tax areas of our members because, no, it doesn't have the direct impact. But it affects the whole economy, so in turn would affect them, yes.

Mr Phillips: Your presentation was quite optimistic, which I'm very happy about. The problem is that the Minister of Finance was in last week with a very pessimistic outlook of—

Ms Swift: Yes, I saw it.

Mr Phillips: —a \$3-billion to \$5-billion problem. I think he's saying in his private hearings that if Mr Eves becomes the Premier they can't balance the budget. We have these two different views: small business optimistic and the Minister of Finance quite pessimistic on the financial front.

Why would we be facing, in the Minister of Finance's view, a \$3-billion to \$5-billion problem?

Ms Swift: We have seen over the last year a real divergence in the views of the large corporate community and the smaller firms. He may have his reasons to do it. Paul Martin for years—hide the surplus has been the game he's been playing for quite a long time now. I guess if you're going to play a game, we'd rather have a finance minister say things—not excessively—are going to be a little bit worse than they are so that it dampens spending pressures and then hopefully we get good news at the end of it, rather than what Don Mazankowski did federally back in the 1980s, as you may recall, which was that everybody got these rude surprises of \$40-billion deficits and stuff like that.

Beyond that, we are seeing different optimism levels in the small business community versus the large business community. What struck us over the last little while—and we've been, like I say, doing some really frequent surveying, more frequent than we usually do—is that our numbers have turned out to be more accurate so far. I guess you can never predict the future with great certainty, but so far our numbers are looking awfully good. We tend to believe things are going to be better this year than a lot of the doomsayers are saying. I know some of the big bank economists—I read some of the stuff they were saying. We don't agree with them, but maybe next year you can see who was right.

Mr Phillips: It's all being taken down.

Mr Christopherson: Thank you, Catherine and Judith, as always. You mentioned, when you're talking

about some of the priorities for your members, Catherine, the one that was at the top—I don't know whether it was prioritized or not—was property tax cuts.

Ms Swift: Yes.

Mr Christopherson: Of course that's pretty much at the sole discretion of municipalities. Yesterday we had the Toronto Board of Trade come in and one of the things the president said was, "From crumbling infrastructure to urban sprawl and increasing homelessness, it is clear that our city, our region, is in decline. And if it continues to decline, the prospects for future prosperity for our province decline with it."

With that and your positioning on property tax, it was interesting to hear you comment on the feds cutting back on transfer payments to the province and that it made the feds look really good. You emphasized that it made them look really good but it just transferred the problem down to the provincial government and their difficulties were exacerbated.

I just wanted to put to you that municipalities are in much the same position—property tax being under the control of municipal governments, homelessness now—and a lot of that is being pushed down to municipal government. Infrastructure, a lot of the things that were mentioned by the Toronto Board of Trade—all these things are in many ways municipal responsibilities.

You have great praise for this government on almost all of their economic activities, especially the balanced budget and the tax cuts which you loved so much. Yet a lot of that came at the expense of municipalities, not unlike the expense of the provinces and the federal government vis-à-vis their cuts in transfer payments. How can you have it all?

Ms Swift: I guess we'd all like to have it all but we can't. There's no doubt the provinces—not just in Ontario, either; this is a national phenomenon—did pass off some other issues to municipalities. We have sympathy with the municipalities in the sense that right now there is no doubt we need to find a better means of financing what they want to do at the municipal level. As you probably know, a lot of the mayors and whatnot across Canada have put quite a push on over the last little while. Some of the things they're suggesting, which is to mimic some US states—and there are some situations in the US where municipalities actually have a sales tax or some means of directly raising money. We're afraid that would just be an incremental tax.

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We think right now there should be some rejigging involving all levels of government—not just the province but feds and provinces—to give the municipalities a more predictable revenue flow, because property tax is unfortunately a blunt instrument in a lot of ways and over time, for purely political reasons of course, the burden has fallen on businesses much more than residential, because there are fewer votes there. So right now we have these huge anomalies where in some areas businesses pay seven and eight times what the resident pays for the same or sometime even fewer municipal services.

Again, that can't be a sensible long-term strategy, but we have sympathy with municipalities. Some of their arguments are definitely right; there have been constraints in infrastructure and in a number of different areas over the years. In fact, right now we're working quite closely with the Federation of Canadian Municipalities, because we took a few shots across their bow and they thought, "Gee, maybe we should work with these guys." Our members very much agree that there needs to be a better way of doing it. But we believe, under the existing system—and of course all governments are going to jealously guard their little slice of the pie—there has to be a better way of helping municipalities fund things. No doubt.

Mr Christopherson: We certainly agree on the issue of the taxes being out of whack. Downtown Hamilton is a perfect example.

Ms Swift: Yes, Hamilton is very bad.

Mr Christopherson: It could be the poster child for the province.

Ms Swift: And if you're putting businesses out of business, that's not a winner for anybody.

Mr Christopherson: The difficulty I have is that I find it at cross-purposes to be cutting taxes, cutting taxes and paying for that first of all by borrowing money and almost cutting back on transfers to that very level of government that has such an immediate impact.

My question is this, and rather than that one I want to move to another issue: you had mentioned that balanced budgets were a priority. I don't have the exact quote, but you almost went so far as to say "no matter what" and then you pulled back a little realizing that "never never" is not a good thing to say.

Ms Swift: Obviously it's not pragmatic.

Mr Christopherson: You also mentioned that one of the pressures that's going to be upon us in the short to medium term is the tax cuts in the United States, and that's going to put pressure on Canada and Ontario from a competitive point of view. It's interesting that the only way the Americans, with the national budget, were able to get where they are and have increases in security spending was to go into deficit. I'm curious, given that a Republican, relatively right-wing president has deemed it in the interest of their country to go into short-term deficit to cover off some of these things. Given that you recognize there are some cases where balanced budgets shouldn't rule supreme, given some of the things you've heard, and I'm sure you've tapped into some of the things we've heard and the pressures that are on us, what are examples of some of those things where, if we had to go into deficit short-term, they're worth it?

Ms Swift: I think in the priorities our members laid out in one of the charts—it's in the package somewhere—on their spending priorities, Health was number one, so there's a good example. But in the US too—I mean, their security spending, let's face it, was astronomical and continues to be astronomical. That was an extraordinary and horrific, obviously, reason to have to do it, so I don't know that the analogy's great for Canada, frankly. We upped the spending a bit, but we're not on the same planet as them.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation.

Ms Swift: Thanks. Judith is going to get into some of that this afternoon, by the way.

Ms Andrew: More on the municipal financing and taxation.

ONTARIO CHAMBER OF COMMERCE

The Acting Chair (Mr Ernie Hardeman): The next presentation is the Ontario Chamber of Commerce, if we have those present, if they would come forward. Thank you very much for coming to present to us today. We have 20 minutes scheduled for your presentation and we would ask that you start your presentation by introducing yourselves, and when your presentation is complete, any time left over will be divided equally among the three caucuses for any questions or comments they have. With that, we'll turn the meeting over to you.

Ms Mary Webb: Thank you. My name is Mary Webb. I am chair of the Ontario Chamber of Commerce finance and tax committee. I am also senior economist and manager at Scotiabank. With me is Atul Sharma. He is our vice-president of policy development and our chief economist at the Ontario chamber. I will begin our presentation and he will complete it. You have been handed our written version. We will be summarizing that because our presentation time is so short.

Essentially, we believe the Ontario economy is poised for recovery, with the turnaround in the United States beginning to emerge. However, with a slow start to calendar year 2002, the province's real growth this year is expected to remain at 1% to 1.5%, similar to the 2001 performance. A more solid expansion of over 3% is anticipated for 2003.

The OCC's pre-budget survey confirmed this forecast, and our members' plans for high-tech investment and new hiring underline their ability to expand in Ontario. Interestingly, following your last presentation, our pre-budget survey covered both small, medium-sized and larger businesses. In terms of their general expectations about economic conditions, they were quite similar. However, the mid- and large-sized corporations were slightly less optimistic about their performance this year, and a number of them, roughly one quarter of them, did anticipate that they might have to contract their payrolls somewhat this year.

The OCC strongly urges the government to maintain a balanced budget in fiscal 2003, despite the current economic slowdown. However, our long-term vision still calls for a target debt-to-GDP ratio of 15% within a decade, returning the province to the level at which it entered the 1990s. Within this balanced budget framework, the provincial government should proceed with its scheduled corporate and personal income tax cuts.

In light of the province's current fiscal constraints, several lower-cost initiatives have the potential to keep Ontario open for business and very visible. Most im-

portant is the substantive streamlining of Ontario's regulatory and taxation systems. The OCC applauds the measures in last year's budget to simplify tax filing procedures and tax audits. Immediate and significant measures to simplify small business tax administration will be welcome.

Going forward, the OCC looks forward to working more closely with the Red Tape Commission. In our pre-budget survey, considerable scope was indicated for progress in simplifying government. Roughly one half of the respondents reported no significant change in the amount of provincial red tape encountered by their business and a further 33% stated that their business had witnessed increased red tape over the past year.

The OCC recently undertook a review of Ontario's taxes with respect to their efficiency and their effectiveness. The following four criteria were used to identify specific taxes that the government should reconsider: uneconomical to administer and collect relative to the revenue they raise; a real or perceived barrier to equity, growth and investment; outdated or ineffective with respect to their original purpose; or fulfilling a purpose that is no longer a provincial priority.

The results of this research were released on February 19 in the report *Streamlining Taxation and Regulation in Ontario*. This is attached to our submission. Briefly, the tax issues highlighted in this paper represent only a few of the areas requiring the government's reconsideration. To assist this process on an ongoing basis, the OCC has implemented a permanent, more formal feedback system so that our members can report any fee, regulation or tax that is particularly inequitable or inefficient.

A couple of other issues have come up recently that could potentially represent additional costs to our members for operating in this province. One is with respect to the Workplace Safety and Insurance Board. Many employers in the private sector are now providing their employees with adequate coverage that is broadly equivalent or superior to the benefits provided by the WSIB, thereby eliminating their need for the WSIB. Therefore, the OCC recommends that these companies should continue to be exempt from WSIB coverage.

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Another recent concern is the draft privacy legislation released by the province. We recommend that the proposed privacy legislation should not go beyond the scope of the federal legislation, notably the Personal Information Protection and Electronic Documents Act, and it should not impose an additional burden on businesses operating in Ontario. Furthermore, prior to the passage of the proposed legislation, a business impact analysis on small, medium and large firms should be completed.

When we were doing our work on Ontario taxes, two issues arose from current concerns that we think deserve the government's near-term attention. The first is with respect to the retail sales tax on computer-software-related services. An immediate and necessary area of simplification is, in fact, the entire Retail Sales Act, and this was identified by the government in the 2001-02

budget. But this retail sales tax on computer-software-related services is a particular issue at the present time. Briefly, we recommend that the government should vacate all assessments for the period from May 1997 to February 2001, that they should implement a moratorium on new assessments until appropriate regulations are determined and that they should reconsider any imposition of the RST on computer-software-related services.

The OCC would also like to reiterate the importance to our members of limiting profit-insensitive taxes. With respect to corporate capital taxes, the Ontario chamber applauds the finance minister's first step to eliminate corporate capital taxes in Ontario. However, capital taxes are still perceived by business as a significant deterrent, and therefore we propose that the government announce a specific three- to five-year schedule for their elimination, with an accelerated schedule, depending on affordability. The OCC further recommends that, as Ontario phases out the corporate capital tax, the insurance premium tax paid by the property and casualty insurance industry in lieu of capital taxes should also be decreased.

The level and equity of business property taxes is also a serious concern for many of our members. One issue is the need for greater transparency, consistency and accountability in business property assessments. We applaud the report prepared by Marcel Beaubien, Review of the Property Assessment Process, and the specific changes that followed. But we would like to see further changes, including representation of commercial and industrial landlords on the Municipal Property Assessment Corp; a review of the equity of assessments for different types of businesses within the same property class, such as neighbourhood or retail-commercial; and complete availability of key assessment information for all taxpayers.

Now I'd like to turn the presentation over to Atul.

Mr Atul Sharma: In our analysis of taxes that could be improved to improve Ontario's competitiveness, we talked about the near-term ones, which Mary just talked about, but I just wanted to highlight a few of the longer-term tax policy issues that the government should look at.

One of them is the small business income tax clawback. We applaud the government's ongoing commitment to reduce small business corporate income tax and to raise the ceiling defining small business. However, the small business clawback provisions remain an impediment to small business. Therefore, we are recommending that, to support small business expansion, the small business clawback be rescinded as soon as possible.

We also identified a number of other taxes, including the tax for fuel conservation, the corporate minimum tax, the land transfer tax and the estate administration tax. A discussion of those taxes is presented in the report Mary referred to earlier, which is included in your package. We would certainly be happy to discuss them in more detail with the committee.

Another issue of concern, which we have raised a number of times with this committee and in meetings with the government, is GST-PST harmonization. In a

survey, nearly four fifths of our members said they supported a combined GST-PST if it led to lower reporting costs for businesses. The Ontario chamber believes that the broader base of a harmonized sales tax would allow this change to be revenue neutral, with a one- to two-percentage-point reduction in the rate. Therefore, we are recommending that the provincial government examine the benefits of harmonization, coupled with a one- to two-percentage-point rate reduction.

In our presentation, we've also identified what we call "smart spending" areas for the future, and I just want to spend a few minutes to highlight those. One of the areas which many of our members are concerned with is the restructuring of Ontario's health care spending. In our survey we asked our members to pick an area of spending which would most benefit their business. Twenty-nine per cent picked health, compared to 17% for education, 23% for assistance for municipal infrastructure, 8% for other municipal services and 23% for other infrastructure. When asked what areas of health care reform should be the focus for the government, 37% felt that the focus should be on increased linkages between the public and private systems, 42% felt that the focus should be on preventive care and 20% felt that the focus should be on timely care.

The OCC will shortly be releasing a policy paper on health care principles. Of specific interest to the budget planning exercise is our recommendation that spiralling costs must be contained with significant structural changes. Allocating ever larger amounts of financing to this area will not remedy the current pressures on the system. An important first step is to provide stable, predictable funding for all major health care providers to allow them to develop long-term strategic plans.

Another area of great interest to our members is transportation and infrastructure investment. As you know, over the past year the Ontario Chamber of Commerce has emphasized the pressing need for strategic multi-modal transportation infrastructure investments. In fact, at this time last year we had just outlined our proposal for the establishment of an Ontario transportation authority. The authority would be comprised of four distinct phases in its implementation. The first phase would be the assumption of responsibility for governance and operation of GO Transit; the second phase would be the capital expansion of GO Transit; the third would be trade corridors; and the fourth would be border crossings.

Given the urgency of GO Transit's situation and its financial needs, the OCC calls on the government to immediately establish a true GO Transit authority comprised of all levels of government and the private sector. The benefit of such an authority is its financial capacity to execute the costly investments needed to improve transit infrastructure. Such a set-up allows the private sector to work closely with the government to promote the public interest while providing greater financial capital for projects that are greater than the government can muster on its own. Therefore, we recommend that the government immediately establish a true transit authority

comprised of all three levels of government and the private sector and to assume responsibility and governance for the operation of GO Transit; furthermore, that the government immediately review with local government and the business community ways in which all urban transit systems can be better integrated with GO Transit to form a seamless public transit system within the Golden Horseshoe.

Ontario cannot afford to allow its recent advances in competitiveness to dissipate. Now, more than ever, it is critical for the province to maintain an attractive environment for new investment. The Ontario Chamber of Commerce therefore urges the provincial government to focus on achievable, measurable results from its affordable priorities. Streamlining government regulation and constraining the private sector costs of public policy are low-cost initiatives that can still be accomplished during a period of fiscal restraint.

In this prolonged period of sub-par growth it is easy to lose sight of long-term objectives. Ontario does not have the luxury of expedient options. Its debt and taxation burdens are still heavier than those in a number of competing jurisdictions. Avoiding a budgetary deficit and holding the line on all forms of provincial liabilities will provide Ontario with far greater fiscal flexibility going forward.

With that, we thank the committee for the opportunity to make this presentation and are prepared to answer any questions in the time allowed. If there are further questions, we are happy to meet with the members of the committee at a later date to provide details. Thank you.

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The Acting Chair: Thank you very much. We have one minute per caucus, starting with the Liberal caucus.

Mr Kwinter: Thank you very much. I was interested in the results of your survey where the respondents said that 50% of them felt that the red tape had not changed and that fully a third felt that it had got worse. Do you not find that strange, when this government has gone to a great deal of pain to set up a Red Tape Commission to look into all of this and has supposedly eliminated a lot of the red tape? How do you explain this reaction?

Ms Webb: Partly because the job of streamlining government is in fact quite immense and therefore, while there certainly has been progress and we have noticed it, and noted it and worked with the Red Tape Commission, there is still a significant burden perceived by our members.

Mr Christopherson: Thank you for your presentation. In the midst of a serious downturn, again, almost the entire document is tax cuts. The only thing I can see of anything to do with society or the public sector would be some mention of GO Transit, which is certainly within that realm.

At the beginning of the good times it was all tax cuts, tax cuts, tax cuts, and you got them. Now what we're seeing is the price of that. We're seeing people responsible for education coming in and talking about the crisis that's in education, the crisis that's in health care, the crisis that's in environmental protection. All those

things are a direct result of all the tax cuts that happened during the boom times. Now the boom times are over, we're left with a disaster in all these key areas—and they're important to business to: having skilled workers, having healthy workers, our health system gives us a competitive edge. All those things matter and yet they don't appear here at all. I have trouble understanding how you see our society continuing into the future and giving us the quality of life that we've had if we just continue down this road blindly cutting taxes and not caring at all, a whit, about anything else.

Ms Webb: If you read the taxation paper that's appended, in fact we started the research on tax reform and further tax cuts last summer. As it became obvious that this downturn for Ontario was more extended than most forecasters had anticipated, we backed off immediate recommendations for tax cuts and put a number of longer-term issues in response to the request that the OCC do this research for the government. We tabled them but said, "These are longer-term issues," for exactly the reasons that you specified. Very interestingly, when we canvassed our membership they agreed with the board of the chamber, which said, "Balance the books," but the costs are probably too high to achieve a substantial surplus even though Ontario's debt continues to be a significant restraint on the province's flexibility. So I would argue that if you carefully review our submission, you'll find that we are deferring many of our tax proposals to a later date when the economy is stronger.

Mr Spina: Thank you for your recommendations. It's good to see you again.

On page 10, you have a recommendation that says the proposed privacy legislation should not go beyond the scope of the federal one because it would be a further imposition on business, and there should be a business impact analysis on small, medium and large firms. Could you please explain to me, in what way is the provincial act that's been proposed going beyond the federal act and how it can impact on businesses?

Mr Sharma: We are actually in the midst of developing our submission on the privacy consultation, which I guess is due at the end of this month. But we did want to flag to the government that we have received many concerns from our members that the legislation does go beyond the federal legislation in that it requires extra reporting requirements, which in their opinion do not increase the benefit or the privacy of the information for the individual. So it adds an additional cost to business beyond what was laid out in the federal legislation.

Mr Spina: What specifically—

The Acting Chair: Thank you very much. I'm afraid you've consumed your time and we thank you very much for your presentation.

ONTARIO CAMPAIGN 2000

The Acting Chair: Next we have Ontario Campaign 2000. If they are present, would they come forward. Thank you, gentlemen, for joining us today. With that, we turn the floor over to you.

Mr Pedro Barata: Thank you very much, Mr Chair, and thank you to the committee. We are here on behalf of Ontario Campaign 2000. Ontario Campaign 2000 is a chapter of a national coalition dedicated to the well-being of children and the elimination of poverty among children and families. My name is Pedro Barata. I'm the Ontario coordinator. With me is Colin Hughes. He's a steering committee member of Campaign 2000 as well as a community worker with the Children's Aid Society of Toronto.

For our presentation today we want to give you an update on the child poverty situation in Ontario and then we want to outline some of the areas that we see are necessary for addressing the issues of child and family vulnerability in this province, and throughout the presentation we'll be making some recommendations on how we see we can address these issues. You can follow along in your briefs, as we'll be following the recommendations in order.

The latest figures for child poverty that StatsCan has released are for 1999. As you know, 1999 was a banner year for economic growth in Ontario, yet we still have one in six children in Ontario living in poverty. As well, we see that families are falling farther and farther below the poverty line. As you can tell from the brief, the poverty gap, or what it would take for the average family to reach the poverty line, has grown from \$8,700 in 1989 to just over \$9,000 in 1999. So despite economic growth, we see that Ontario still has a huge child poverty problem.

In your brief, on page 1, you see some of the indicators that we've been tracking over the past 10 years. They speak directly to lack of income security. They speak to problems in the labour market for parents. They speak to lack of access to quality child care as well as housing needs. These are exactly the issues that we will be addressing.

The province of Ontario has relied primarily on tax cuts and the economic growth that comes along with that to try and address its child poverty problem, but as we've seen from the one-in-six number, this is simply not working. In our view, tax cuts are not a very effective approach to address child and family income security, for two main reasons: number one, general across-the-board tax cuts do not put the necessary amount of money, quite simply, into families' pockets to be able to address their various needs; number two, general across-the-board tax cuts deplete our available resources and our revenue to be able to invest in the kinds of supports that families need.

In our first recommendation, we call on the government to adopt a more balanced approach, with the intention of actually addressing child and family poverty in this province, to reducing it back at least to 1989 levels when one in 10 children was poor. We would like to see a shift away from a one-sided approach that's strictly dedicated to tax cuts and economic growth, and we'd like to see a greater focus on a social infrastructure for children and families, focusing on four key areas around income security, labour market strategies, housing and child care.

Mr Colin Hughes: We're going to be jumping back and forward. We're quite pleased, as everyone is, to see that there are more jobs, that there has been economic growth. That has resulted in a reduction in the child poverty rates over the last part of the decade here in Ontario.

We would, though, point out that the number of families who have work but are poor is double the number just 10 years ago and that the child poverty rate is in fact much higher than it was in the last economic boom. We think one area that really needs to be addressed is to look at how one goes about increasing the supply of goods jobs, looking at better wages and so on, and that an important place to start with this is to look at the minimum wage, to increase it. Since it was frozen in 1995, inflation has taken a big chunk out of the purchasing value of the minimum wage.

Someone working full-time, full-year at minimum wage has lost the equivalent of about four or five weeks' purchasing power, so that's really an area where we would urge the province to start. The minimum wage has simply been frozen for far too long and we really need to look at ways to make work pay. If we want people to have a work ethic, we certainly want to reward them for their work performance.

1230

Mr Barata: For those families who are not in the workforce and who are forced to rely on social assistance—as you know, social assistance caseloads have decreased, but unfortunately for those families who remain on social assistance, they have not seen any increases or any betterment of their quality of life in the past six years. In 1995, this government cut welfare rates by 21.6%. When you factor inflation into this cut, it's nearly 30%. What we're saying is that families have lost nearly one third of their purchasing power. For example, the social assistance rate for a single parent with one child is \$957. Social assistance rates right across the board tend to be 55% to 60% of the poverty line, so families are clearly living far below what they need.

As well, we see that there are really two approaches to welfare reform. There is the welfare approach, that essentially tries to get families off social assistance as soon as possible without much regard to what happens once they enter the labour market—and as Colin mentioned, we see that families are simply moving from social assistance poverty to working poverty. We would like to see a greater investment in people who are on social assistance. We would like to see a focus on opportunity planning. To give you a concrete example, we work with a group of parents in the city of Toronto who are really excited whenever there's a job opportunity, and who really want to get off social assistance. What they tell us is, "Going to our 10th straight resumé workshop is just not going to cut it. We need more than that." For parents, they need supports like child care. They see that the housing market is astronomically out of reach, and it's a real problem. We would like to see rectification of the current lack of income security within

social assistance, both Ontario Works and the Ontario disability support programs. We would like to see the levels of assistance go back to where they were in 1995, as well as an adjustment in terms of the kinds of supports and help that families receive while they are on social assistance.

Mr Hughes: The minimum wage and social assistance, if you take them together, really do suggest a minimum social floor that nobody's going to fall below, theoretically. What we've seen on both of those fronts since 1995 is that those have reduced. So it's really no surprise that we've seen growth in poverty and in the depth of poverty since the same time 10 years ago, at the same period of economic growth and a boom in terms of jobs.

To fight child poverty, the federal government did introduce and improve the national child benefit supplement, which is an income-tested—what used to be the old family allowance. One of the problems we have is that this is deducted as income from social assistance. That really removes any kind of impact it has in terms of fighting child poverty among families who are relying, at that point in time, on social assistance for their income. We're calling on you to end the clawback of the national child benefit supplement from welfare. There have been over half a dozen municipalities who are so concerned about what's happening on the streets, in their shelters, in their communities and in their neighbourhoods with children and families that they've actually called upon the province to rescind the clawback. So we're simply echoing what Toronto, North Bay, London, Kingston and Hamilton and other municipalities are saying: "Please let them keep that money. Let people who are on social assistance keep their baby bonus. Don't take it away from welfare-poor children, or from foster children, or from children of parents who are disabled."

The other part of the national child benefit story is that the money saved by taking it away from welfare, from people who are on social assistance, is then reinvested in the Ontario child care supplement. The Ontario child care supplement is very much a misnomer. It really has nothing to do with child care at all. It's not linked in any way to child care, except that it uses the words "child care" in it. The supplement in fact is a work income supplement. We're fine with work income supplements, but we feel that it should be funded on its own out of general revenues, not by taking away the federal child benefit from welfare-poor children. We would simply urge that you rename it and call it what it is—it's a work income supplement, and that's great—and that it just be funded from general provincial revenues, not from the federal clawback money.

Mr Barata: One of the problems with the child care supplement for working families is that it does not address the two key objectives of early childhood education and care. On the one hand, child care does allow parents to join the labour force and remain in the labour force, but on the other hand it's also about child development. The government's own Early Years report

points to the importance of children having high-quality experiences, not only in terms of their own development as individuals but also for the future well-being of society, both in terms of productivity and cohesiveness.

I want to give you a couple of numbers on the situation facing families out there. There are nearly two million children under 12 in Ontario. Of those children, 70% of their mothers are out in the workforce, yet for those children, only 12% have access to regulated child care spaces.

The province had a real opportunity to invest back into child care, after cutting the budget substantially by \$70 million since 1995, with the early childhood development initiative. The federal government transferred \$114 million last year to the province of Ontario. It will continue to do so over the next four years. Unfortunately, the Ontario government did not see high-quality child care as a priority for investment. We would really like to see that turned around. Essentially, our recommendation around child care is to stabilize the system, to put back the original cut of \$70 million in 1995 and to begin to expand the system to account for the majority of parents who are out there in the workforce and who require this support in order to remain employed.

Mr Hughes: Finally, there's the area of housing. What we're increasingly finding in our cities, in our urban areas in particular, is that the situation for families is very unstable. Their housing is simply unaffordable. Their incomes keep getting worth less and less, and at the same time their rents keep going up and up. They are really squeezed. Let me tell you, there is nothing more heartbreaking than to be on the other end, trying to help a parent and her kids who are about to lose their home. This is really tragic.

We have got to the point in Toronto—and I think Toronto, as our capital, in many ways reflects much of urban Ontario—where the median income for a poor family is almost the same as the average rent. That tells the story right there. Their incomes are way too low; their rents are way too high. Something has to give somewhere, and what's been happening is that it's been giving out on the social end. Kids are filling up our shelters. We have 6,200 kids in homeless shelters in this city. That's an increase of some 130%.

What we're urging is that there's really a need to bring back rent controls in this province, as we had previously, and to get back into the business of increasing the supply of affordable housing.

Mr Barata: We thank the committee for hearing our presentation. We would now like to open it up for questions.

The Chair: We have approximately a minute and half per caucus.

Mr Christopherson: Thank you for your presentation. It's good to know that somebody out there is advocating for the other part of Ontario, where the majority of people live.

I want to focus on the minimum wage, because I've only got a very short period of time. It's absolutely

disgraceful that we've gone seven years since there was last an increase in the minimum wage. It was the NDP government that raised it in 1995. Nothing's been done since then. During the economic boom, we heard you can't afford to raise minimum wage because we don't want to dampen the boom, we don't want to hurt the economy the way it's zinging along. Meanwhile, the Americans felt confident enough that it wasn't going to damage their economy. They raised their minimum wage twice and it's now much higher than ours.

1240

What's difficult is that there are not a lot of people who are on minimum wage. Most people earn a bit more than that so they sort of tune out when you talk about minimum wage, and yet it's the benchmark upon which everything is gauged. As long as you keep the minimum wage low, then when you contract out, you keep wages low; when you privatize, you keep wages low. Ontario Works benefits are kept low. People on fixed incomes, whether they're seniors receiving pensions or disabled people receiving benefits, all these things are kept low. Nurses, teachers—at the end of the day everybody's wages are suppressed, and yet we're moving into a user fee society where you have to pay directly for everything you need. How do people who are earning minimum wage, or around there, galvanize enough political action to make a difference?

Mr Hughes: I think you've hit on some important points. One is that we really feel that work should pay, and this was absolutely the case not that long ago. About 15 or 20 years ago, a single person working full-time, full-year, earned enough to be out of poverty. That simply isn't the case right now. We have people working at minimum wage who are living in shelters in Toronto. It's just disgraceful. It is a basic floor, and you're absolutely right: as that floor rises, other things rise relative to it. So it's not just people who are at the minimum wage, but people who are near it and above it in other ways. We really don't understand the rationale for allowing the minimum wage to erode. We think it should be indexed, that it should be brought up to the standard that was set in 1995, and that we make work pay.

Mr Christopherson: Hang in there.

Mr Spina: Gentlemen, thank you very much. I wonder if you could help me understand something better. On your first page you're talking about the growth in the number of poor children in Ontario, and you state, "In 1989 ... one in 10 children in Ontario was poor; by 1999," 10 years later, "one in six children was poor." That's a 40% drop in the ratio, and that's obviously including the growth in population and so forth. Then you indicate that the "growth and prosperity is not benefiting ... families and children." This sounds like a paradox. Can you maybe explain that, please?

Mr Barata: One of the most important indicators that we look at in terms of how well families are doing is how far they are below the poverty line. You have mentioned growth in population, which is a factor in the way the numbers rise, but you also have to look at the rate of

poverty. The rate of poverty in 1989 in Ontario was the lowest in Canada; it was 10.8%. By 1999, it had jumped up to 16.5%. This is simply a rate of poverty on all children. But most importantly in terms of how far families are falling below the poverty line, that gap has continued to increase over the past decade. That's a very basic indicator that shows that although families are trying to make ends meet, quite simply the supports that are available in society have decreased. Their benefits have not increased at the same time, and they are falling deeper below what they need to live on.

Mr Kwinter: Thank you for your presentation. I just would like to get your advice, really, because I don't know what the solution is, or we would solve it. We have this sort of dichotomy where we had a presentation by the Canadian Federation of Independent Business earlier today. They talked about almost 50% of small businesses saying they cannot get proper employees. The qualities they're looking for—they don't have to be computer scientists or anything else—are a willingness to learn, the number one issue; the willingness to stay at a firm, number two; and customer service skills. These are all things that can be learned relatively easily. My feeling is, if that is the case, if there's a chronic shortage of labour, even though there are a lot of unemployed people, something is going wrong with the way we address the problem with the working poor.

It's also interesting that in your presentation you talk about the fact that the minimum wage is a problem which doesn't allow these people to get close to the poverty line, and Mr Christopherson is telling us that very few people really earn a minimum wage. Somewhere along the line you've got to connect the dots. I was just wondering if you had any advice as to how you think this should be approached.

Mr Hughes: You're right, there are a number of issues at stake here. One is, what kind of skills do people bring to the labour market to start with? That's where you have to look, and I think the business community has to seriously look, at what the social costs of many of these tax cuts in fact are. They are not making life very good for a lot of the families who are living out there. I'm telling you, you do not go to a job when you have been hungry, when you have been homeless and when you have a hard time even clothing yourself or your family—when you've experienced those kinds of hardships—and really become a very good employee. It's a bit contradictory. We need to look at the impact of poverty on the next generation of workers and so on.

In terms of what makes that job attractive, can people live on those wages—that's a whole other question. There are two parts to it. One is, are those wages adequate to begin with? I don't know. What proportion of them is at minimum wage or near minimum wage? I imagine there's data on that. That shouldn't be very difficult to find out.

More importantly, though, if we're talking about families with children, they are definitely at a disadvantage at the lower end of the labour market simply because

they cannot earn enough to support themselves and their families. This has been an ongoing problem. Wages are not sensitive to family size. That's why the child benefit, the work income supplement, those kinds of things, are very important and also need to be enhanced. We're suggesting that a comprehensive approach should be taken to those things. I don't know if that really is an adequate answer to your question.

The Chair: With that, I have to bring it to an end as we've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

ONTARIO COALITION
FOR SOCIAL JUSTICE
HOUSING AND HOMELESSNESS
NETWORK IN ONTARIO

The Chair: Our next presentation is from the Ontario Coalition for Social Justice. I would ask the presenters to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Ms Kira Heineck: Thank you very much for the opportunity to present to you today. My name is Kira Heineck. I represent the Ontario Coalition for Social Justice and the Housing and Homelessness Network in Ontario, our newest member group. I will speak briefly about the broader issues and needs that the OCSJ feels must be addressed in the government's next budget. Ann Fitzpatrick, who's with me, will speak directly to the concerns and demands of the Housing and Homelessness Network in Ontario in the next provincial budget.

The Ontario Coalition for Social Justice is a coalition of over 200 provincial and national groups promoting social and economic justice in Ontario. Our provincial members include most major union affiliates, as well as many provincial social sector groups, such as the Canadian Federation of Students, the Ontario Coalition of Senior Citizens' Organizations, Campaign 2000, the National Action Committee on the Status of Women, the Inter-Faith Social Assistance Reform Coalition etc. I've listed a few more for you in our brief.

Of equal importance is our work with over 20 local member social justice coalitions. These are communities across the province that have their own local social justice coalitions and who have joined together under our umbrella. You'll see there the list of communities in which we are quite active. You'll notice that it stretches right from east to west and north to south in the province.

There are many issues that fall within the scope of social and economic justice that the OCSJ concerns itself with and to which we could speak today. Some of our local community coalitions have already presented to this committee, or are still scheduled to, as are many of our provincial member groups. We fully support their ideas and strategies for an alternative way forward for this province, one that builds a sustainable future for all Ontarians.

To complement the specific positions they've already argued before you, or will still argue before you, we feel our contribution is to remind the committee that the existence of poverty and homelessness in Ontario are indeed human rights abuses. There is no doubt that homelessness has increased dramatically in Ontario in the last seven years, and that poverty continues unabated in this province. I've listed some of the basic statistics and facts to flesh out that picture but, again, you've heard a lot of this already today and in other hearings of the committee. I'll just leave that for you right there.

A couple of points are important to highlight, though. A lot of these statistics underestimate the reality that's out there because they don't include the economic conditions of native people living on reserves and those in institutions like hospitals and jails.

1250

This sad and shameful reality is indeed a human rights abuse. Poverty and homelessness in Ontario violate at least three basic human rights that everyone in Ontario is entitled to: the rights to livelihood, life and equality. All three are enshrined in the Universal Declaration of Human Rights and are supported by the Canadian Charter of Rights and Freedoms and the Ontario Human Rights Code.

I will read to you article 25(1) of the Universal Declaration of Human Rights because it is extremely powerful:

"Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

Clearly, the income levels attainable under minimum wage and the various social assistance programs currently in place in Ontario make the exercise of this right to livelihood impossible for everyone.

Article 6(1) of the International Covenant on Civil and Political Rights, designed to give legal force to the Universal Declaration of Human Rights, reads, "Every human being has the inherent right to life. This right shall be protected by law. No one shall be arbitrarily deprived of his life."

We know that in Ontario, crushing poverty and the lack of adequate social programs, income security measures and enough affordable low-income housing have already condemned many people to death on our streets, thus violating the very right to life.

Poverty and homelessness also violate the right to equality because they are themselves barriers to the enjoyment of that right. Poverty and homelessness make access to the tools to achieve equality, such as education, adequate housing and nutrition and decent health, almost impossible to achieve. An argument can also be made that allowing homelessness to exist violates section 15 of the Canadian Charter of Rights and Freedoms, which protects the poor from discrimination.

The expertise I bring to this committee is what I learn as I travel across the province and work with the local social justice coalitions. I want to talk to you more about what they are telling me they need based on their experiences.

Everywhere people are struggling under increasing challenges to provide their families with a decent standard of living, and with hope for and the ability to enjoy the future. Here is what they demand Ontario spend our money on in the next budget, with two major objectives: end poverty and homelessness.

Raise the minimum wage so that anyone working a full-time job can support themselves and their family at above poverty-line levels. I'm not an economist and the details could be worked out in the future, but I think that would be approximately \$13 an hour right now.

Raise social assistance rates and modify eligibility requirements, management policies and support programs to introduce truly meaningful, respectful and just welfare reform.

Return the national child benefit to the families that really need it.

Increase benefits to injured workers to, at a minimum, fairly reflect inflation rates.

Build the social housing required to meet needs in every community across Ontario. The Ontario Ministry of Finance has found that we need about 18,400 units per year. I don't need to remind you that none are being built right now.

Adequately fund health care so that health care costs do not become an extra burden on people living in poverty.

Stop the privatization of Ontario's electricity market, which will only add cost burdens to low-income Ontarians.

For the objective of ensuring equality:

Build the subsidized and second-stage housing required in order to support women and children fleeing abusive relationships, and adjust social assistance rates and program requirements to support and assist women and children fleeing abusive relationships. These two recommendations are reflected in the Hadley inquest recommendations that I'm sure you've already been presented on as well. The Hadley inquest found that the number one barrier to Gillian Hadley being able to escape with her life was that she was living in poverty and couldn't access second-stage or subsidized housing.

Stop the private school tuition tax credit and freeze post-secondary school tuition across Ontario to ensure equal access to education for all Ontarians. Again, this recommendation is based on the fact that an increasing number of low-income young people are not accessing secondary education. They just can't afford it any more. I can tell you that the number one concern across the province these days—I just came back from a trip to Wawa a few days ago—is the lack of opportunity for young people. It's everywhere. Every workshop we do, every discussion I have, every dinner I have with people,

this is what we talk about, the lack of opportunity for young people.

Stop the tax cuts to corporations and wealthy Ontarians, who disproportionately benefit from them. These tax cuts help to widen the gap between rich and poor in Ontario, which hurts everyone's quality of life. This is based on studies that show us that the narrower the gap between rich and poor in society, the better the overall health is of everyone in that society.

So it's your choice. The reality of poverty and homelessness in Ontario is even more appalling because it exists in the richest province in one of the richest countries in the world. It is pathetic that the government of Ontario, while extolling the virtues of Ontario abroad and presumably upholding the internationally recognized rights to equality, livelihood and life, allows poverty and homelessness to exist, both through direct policy action and indirectly by not developing legislation and policies to alter this reality.

Homelessness and poverty in Ontario are man-made realities. They have man-made solutions. This standing committee has the power to make recommendations to start implementing the solutions. The government of Ontario has the power to act upon those recommendations. It is your choice. The future generations in Ontario will judge you not for how many tax cuts or selling of public services you were able to pull off, but on how you promoted and protected the common wealth, the quality of life of the poorest among us, and the struggle for the equality of all Ontarians. You will be held accountable. Make sure it is for bold moves toward social justice and equality.

Thank you very much.

Ms Ann Fitzpatrick: Good afternoon. The Housing and Homelessness Network in Ontario formed about two weeks ago, following a two-day gathering of over 40 organizations from across Ontario from Parry Sound, North Bay, Kingston, Windsor, London, Belleville, Kitchener-Waterloo, Sault Ste Marie, Hamilton, native and aboriginal communities, and Toronto. Participants represented community-based organizations from their areas, including legal groups, seniors' groups, youth groups, social justice groups, faith communities, housing services, housing advocates and child welfare.

I'm here today representing the Children's Aid Society of Toronto on this network. My job at CAS involves dealing with families with housing and homelessness problems. I deal with two to five cases a day of eviction and homelessness and people living in unsafe housing. Ten years ago I dealt with that many issues each month.

At our conference, we heard story after story, community studies and research reports that uncovered the devastating impact of our housing disaster on a growing number of Ontario citizens. Many participants had been involved with housing issues over the last decade and they were witness to the worsening crisis. For example, the Toronto Disaster Relief Committee reported that coroners have been advised to look out in their in-

vestigation autopsies and inquests for homelessness as a factor in those deaths.

The scope of homelessness: at this conference we reaffirmed our understanding that government must understand the visible and the invisible homeless reality in our cities and towns and isolated communities. Homelessness and policies to address it must include the visible people who are living rough on the streets, in bus shelters, on grates, sidewalks, stairwells, benches and in parks, and people who are living rough who are hidden from view in parks, under bridges, in tent cities and in abandoned buildings.

It also includes the invisible homeless nobody sees except some of the social agencies like children's aid that are visiting people in their homes. Those are people at risk for losing their homes because their rents are rising faster than their income, compromising their ability to pay their rent and resulting in an astronomical increase in evictions. We have 500 applications for eviction weekly in Toronto.

Homelessness also includes those who are in insecure housing, people who are living temporarily doubled up with other families, who have no rights of tenure and, with a breakdown, can be forced to move at any time.

Now there is a new term called "couch surfing" that has surfaced across the province, where youth and even seniors and families are sleeping on couches from different address to different address.

What are our recommendations before you today? First of all, we want to say that we want you to invest in solutions to turn this crisis around, and we know you can afford to do so. It's very clear that dealing with this growing problem makes good economic sense at the same time as it deals with people's basic and human needs and rights, as Kira has spelled out. On your budget ledgers you can invest now in housing solutions and comprehensive strategies that cross ministries or, you can continue to pay now, and later, increasing sums for the unanticipated domino effect on other budget lines and services.

1300

A case in point has been distributed to you in the package. The children's aid carried out a study with the U of T in 1992 and followed up in 2000. In 2000, for one in five children admitted to our care, housing was a problem. The number of children admitted where housing is a problem has gone up 60% since 1992, to 450 children in the year 2000. In another one in 10 cases, we could not reunify children with their families because of housing problems. The costs are enormous, and this is a program you fund 100%—almost \$2,000 a month for each child in care. For each child, the average cost is over \$40,000. For the 450 children, if you look at the average length of stay in care, that is a staggering cost of \$18 million.

Other examples of the cost-effectiveness of funding housing in a strategic and a planned way versus other services are outlined in the other handout that came from the mayor's task force on homelessness, which looks at

expenditure estimates for various options. I've annualized some of these costs. These are going back to 1999, so no doubt many of them are much higher.

It costs for a person to be in prison for a year \$42,000, or almost \$4,000 a month. A motel or a family shelter costs \$37,000 a year, or over \$3,000 a month. Contrast that to investment in public housing, which only costs \$486 a month for government to subsidize, or approximately \$5,840 a year. New non-profits are a little bit more expensive because they were developed when land costs were high, but they're still \$1,905 a month. So if governments are setting budgets, they have to look at what other budget lines are having impacts on failing to act on the housing issue.

In addition to these costs, you've spent \$12 billion on tax cuts. So we just cannot accept the argument that a government cannot afford to solve the housing crisis. It's an issue of choices and strategic investments to reverse this serious and growing problem.

What we want to see in the budget are solutions that address housing supply, income issues and policy issues, and it needs to be done in an integrated way.

For starters, on new supply we want you to put in your contribution of \$245 million toward the federal-provincial agreement that you signed off on in Quebec City. We understand \$20 million is on the table; that's not acceptable. Even if you put in \$245 million, it's only going to result in 2,000 units a year across Ontario, and we know that's a drop in the bucket, depending on the need.

We also know the private sector is not going to solve this problem, as was promised. Al Leach, when he was the Minister of Housing, said there would be 15,000 new rental units a year if rent control was scrapped and other policies were passed. We know that hasn't happened. We need government investments, and history has shown us that in terms of meeting the housing needs of the lowest income groups. So we want a long-term strategy of investing in supply. As Kira said, the Ministry of Finance projected that there's a need for 18,400 units of rental housing in this province. So all we're asking is that you follow your own financial projections and fully fund that program. It would cost about \$900 million annually.

The housing needs to be permanent affordable housing, for the most part, but it could also address some local needs identified, such as transitional housing for assaulted women as well as some emergency shelters, which don't exist in some communities. Aboriginal communities need to manage and control their housing, and they need some targeted dollars. The demand is clear. When I started working on these issues over 10 years ago, the waiting list in Toronto was 10,000 households; now it's over 62,000 households. We've got to do something fast.

We also want you to address income strategies. The previous deputants covered a lot of the issues that we also support. We think that social assistance rates have to be increased. I would say that cutting social assistance and eliminating rent control on vacant apartments was

one of the most toxic brews of policy I've ever seen. It has punished low-income people beyond belief. Then, when you add to that that there's no supply of social housing, there have been horrific impacts of those decisions.

Landlords have always discriminated against people on social assistance, despite the protections in the Ontario Human Rights Code. But now low-income people can't afford those units. The unit cost for a one-bedroom in Toronto is about \$883, and that is well beyond what a single person earns on social assistance.

We reiterate that the minimum wage needs to be increased. We think there needs to be more funding to tenant services through legal clinics and the Ontario Rental Housing Tribunal. There are areas in the north that are getting very poor service and it's leading to more evictions.

We think there needs to be more support to groups working regarding issues of discrimination in rental housing, and access to these services should be province-wide.

Finally, a couple of recommendations that probably don't fit on your budget line directly, but we want rent controls back. We want rents to be fair; we want housing to be affordable. Above-the-guideline increases under the NDP were taken off base rents once those capital improvements were made, but under your new policies they're built into rents ad infinitum. So it's of course going to escalate rents. You've got to say it's unfair for tenants to have to keep paying for improvements in their base rent after the laundry room was already paid for.

Finally, we want you to reinstate the Rental Housing Protection Act. We have seen a net loss of rental housing in many communities, even though there have been a few units developed by developers. Toronto recently won a case allowing the city to set some rules around conversion and demolition. All we're saying is, do that province-wide. We need to save the housing we've got as well as produce new housing.

In conclusion, I hope this hearing is a meaningful process and a democratic process. I hope that you're going to listen, reflect and act on what you're hearing from people across the province. Economic forecasts and indicators often fail to attend on the impact on people. We're working at the ground level; we're seeing what's happening.

It takes leadership and accountability to evaluate your own policies and decisions and to change direction where that is necessary. Your housing policies and welfare policies are a case in point. Failure to act soon and take a new direction from the direction you've taken will result in more money spent on the numerous services and institutions that kick in over time in desperate situations: health care, child welfare, police, jails, mental health facilities, hostels and motels. Pay now, with leadership and vision, or pay now and later, with thousands of children, families, seniors, youth and voters falling into desperate living conditions and putting greater burdens on the network of services we have across the province.

An ounce of prevention is worth a pound of cure, and you have the resources to take action.

The Chair: With that, there won't be any time for questioning as you've used all your time this morning. On behalf of the committee, thank you very much for your presentation this afternoon.

This committee is recessed until 2 o'clock this afternoon.

The committee recessed from 1309 to 1401.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair: Good afternoon, everyone. If I can get your attention, we'll bring the standing committee on finance and economic affairs to back to order. Our first presentation this afternoon will be from the Canadian Federation of Independent Business. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Ms Judith Andrew: Good afternoon and thank you, Mr Chairman. I'm Judith Andrew, vice-president, Ontario, for the Canadian Federation of Independent Business. With me today is Melanie Currie, policy analyst for Ontario, also with the CFIB.

I've put some kits together that you should have in front of you. They are actually quite different material than was distributed by Catherine Swift this morning, so please do look. Just to acquaint you with the contents of the kit for future reference, in the right-hand side of the kit you'll find the statement that I will make today concerning the pre-budget. There are also some charts that accompany the statement and some very new and interesting data in those charts, so please look at that. There's a survey that we have freshly completed dealing with a proposed hotel levy to support tourism promotion. As well, there's a new mandate ballot from our membership dealing with the issue of financing incentive.

The entire left side of your kit is devoted to municipal matters. There's an update on the property tax burdens in Toronto; a new property tax fax alert that our members are using to convey their views on what ought to be done at this juncture; a new ballot dealing with an idea we have on property tax, which I will address in a moment; plus our recent reports dealing with municipal issues from the standpoint of small business. One is entitled Building Better Communities; the second one is entitled City Limits and it deals with special authorities for taxation for municipal governments; and finally, last year's pre-budget submission, which contained a lot of analysis and detail that might actually be worth referencing in this year's go-round.

Turning to the statement and the accompanying charts, CFIB appreciates the opportunity to make submissions to the Ontario government with respect to the forthcoming Ontario budget 2002 on behalf of our 40,400 Ontario small and medium-sized enterprise members.

We certainly commend to your further attention CFIB submissions with respect to last year's budget, which are

in the kit and do supply detailed analysis and an integrated set of recommendations that we're still proceeding along.

As Catherine Swift outlined this morning, small business is the primary engine of the economy and it is very heartening that small firms in this province continue to hold reasonably strong expectations for their businesses. Catherine went into some detail on that, so I will not.

This submission will briefly update our members' budget-related priorities and make the case for moving forward on key small business recommendations within the strictures of Ontario budget-making this year. CFIB's "Our Members' Opinions" census survey continues to show total tax burden as the perennial number one issue of concern for small firms. Knowing that today's debt is tomorrow's taxes, small business owners' fiscal priorities emphasize debt repayment first, followed by tax relief, with spending ranked third.

Small businesses report diminishing satisfaction with all levels of government in controlling spending. That actually is the third chart. It should be noted that Ontario scores somewhat better on its stewardship of taxpayers' money than do either of the other two levels of government. Health care, education, transportation infrastructure and environment infrastructure garner the most support among small firms for spending increases, and you have the chart that was revealed this morning, as well as a more detailed chart dealing with public infrastructure. This particular one has the benefit of over 23,000 respondents, so it's a very broad-based survey in terms of the areas of public infrastructure that our members would support. Not surprisingly water quality, highways and local roads get the most support for increased spending in that area.

CFIB acknowledges with appreciation this government's progress on addressing small and medium-sized enterprise budget priorities. This action helped to recession-proof our sector and get Ontario through the recent economic bumps with fewer negative repercussions than were feared. In the face of a softening economy and the terrorist attacks, it was very positive and confidence-instilling that this government not only held to its tax cut commitments, but also accelerated the tax relief to October 2001.

CFIB's fresh "Focus on Ontario" survey data show that personal income tax, employer health tax and small business corporate income tax cuts have, to date, most helped small business job creators. That's the chart on page 3 at the bottom. This data also show that capital tax relief is starting to be felt. We anticipate that full-year implementation of the first \$5 million capital tax deduction will substantially reduce or eliminate the tax for many small and medium-sized enterprises in a manner that ensures that every business enjoys equal relief. I should say for small businesses this is a substantial relief, which means much more to them than the same deduction would, of course, in a large firm.

Workplace Safety and Insurance Board premium reductions since 1995 have also assisted small and

medium-sized enterprises, although the decreases in the average rate have disappeared and plans to expand the system are worrisome. That was referenced this morning by Catherine.

CFIB's latest tabulation of concern with provincial/local taxes and charges places municipal property tax as the number one tax most harmful to Ontario businesses. With growing concern over recent years, in tandem with rising fuel prices, our members in northern Ontario identify fuel taxes as their second-ranked most harmful tax. Personal income tax, corporate income tax and provincial education property tax are also ranked high on the most harmful list.

Looking at future tax reductions—and there's a table and a chart on page 5—municipal property tax received the highest priority rating for future tax reduction attention, followed by personal income tax, provincial education property tax, fuel tax and small business corporate income tax. As you can see, capital tax is nearer the bottom, second from the bottom, as an issue where our members have certainly appreciated the relief extended in last year's budget, and it's not now on the top of the list of their priorities.

We commend the Ontario government for adhering to its positive Bill 140 hard cap as a start to levelling property taxes and improving accountability to the resident-voter for local spending. One strategy to approach the range of fairness and at the same time mete low-end property tax relief to small business is to institute a small business threshold of property values that municipalities must tax at the lower residential rate. We are currently canvassing our members on this option, and the mandate ballot is enclosed in the left side here, and our preliminary findings show small firms are strongly in favour of the proposed threshold approach.

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Our members strongly oppose giving municipalities new taxing powers, for example, local sales or income taxes. Instead, business people favour reductions in local spending. Small firms resist allowing local governments to levy new local fuel taxes to pay for transportation infrastructure. However, they would support earmarking existing fuel taxes to pay for local transportation infrastructure; for example, roads and transit. Few have qualms about forcing municipalities to lower municipal property taxes on business in order to lessen the property tax load. There is reasonable support from small firms for removing social services costs from the property tax, and replacing taxes with fees for specific services is also moderately supported as a genuine user-pay approach. To summarize, all those findings regarding municipal finance and taxes are in the two charts on page 6. One deals with northern Ontario and the other is all of Ontario.

Our recommendations to the Ontario government for Ontario budget 2002 are:

(1) Maintain a sound fiscal balance, emphasize debt and tax reduction over spending and focus priority spending to support growth and competitiveness.

(2) Support confidence by continuing to phase in the announced tax relief—personal income tax, corporate income tax—on schedule.

(3) Alleviate the unfair burden of profit-insensitive property taxes on small business job-creators by (i) delivering substantial relief on provincial business education taxes; (ii) instituting a small business threshold of property value that municipalities must tax at the lower residential rate; (iii) disallowing municipal clawback of reductions owing to lower assessments; (iv) taking other steps to lower municipal business property tax rates toward the established range of fairness.

(4) Promulgate Ontario's charter of taxpayer rights on tax administration, fulfilling this 1999 Ontario budget commitment to treat taxpayers fairly, and also update and improve the vendor compensation for retail sales tax collection.

(5) Eliminate the capital gains tax—in effect, zero-rate it—as an incentive for direct—and this is without intermediaries—patient capital investment in small and medium-size enterprises. The ballot on that is in the kit, with a vote 63% in favour. That was also supported in the Chudleigh report on competitiveness. So that's an important item.

(6) Fulfill the government's commitment to publicly identify provincial fees and charges paid by businesses in Ontario; review existing provincial fees, as promised, to determine whether they exceed the cost and value of the service provided; and refrain from introducing legislation allowing municipalities to introduce a hotel-motel levy to pay for tourism promotion. Again, the survey vote on that is attached, a very strong survey in opposition—91%.

We appreciate the opportunity to make these submissions, and we look forward to attempting to answer your questions.

The Chair: Thank you very much. We have two minutes per caucus. I'll start with the government side.

Mr Gilchrist: In the interest of time, I'll make this very quick. I had an e-mail today from a gentleman who is watching with great interest the Toronto city budget deliberations. He noted that they are proposing to spend \$280 million on homelessness and \$255 million on all their fire services, but only \$140 million on all parks and recs. It's small wonder they can't keep the pools open.

It seems to us a bottomless pit. We share your concerns about property tax, but we need some direction. Should the province be accelerating the rate that municipalities are required to produce best practices or meet performance measures and then mandate that they have to stick to those percentages and it would be illegal to raise taxes beyond that level?

Ms Andrew: Our members, as you can see from the last survey charts on page 6, are pretty hard on municipalities in terms of the kinds of latitude they would give them to do anything. Our members have been ill-treated by municipalities. The tax burdens in Toronto are enormous. There's a summary sheet here showing just how much commercial properties and industrial properties are levied relative to residential properties.

So our members really feel that the Ontario government needs to set the framework for proper budget-making and then allow the municipality to levy appropriate levels of taxes without ill-treating the business sector the way they've been doing until now. There may be some sympathy for certain kinds of social services that are hard to support off the property tax base. There would be some sympathy for doing that, but that's not our members' number one. They're just desperate to have some relief on the property tax front.

Mr Phillips: On property tax, I see by your chart here that a majority of the property taxes that are paid by a manufacturing operation—this is the Toronto example—are set by the province. You have now I think correctly talked in your document about provincial property taxes. No one thinks about that, but I see that over half of the property taxes being paid by businesses in Toronto go to education and are set by the province. I think you're showing—

Mr Gilchrist: No, they're not.

Mr Phillips: I know Mr Gilchrist doesn't like to hear this, but here are the majority of taxes going to the province, set by the province. Mike Harris sets the education tax rate and it goes right into education. It's set by the province, with the province controlling it.

Mr Gilchrist: It's set by the school boards. The cap—

Mr Phillips: Mr Gilchrist doesn't like to allow other people to debate. It is set by the province. Mike Harris sets this tax rate. A majority of taxes—

Interjection.

The Chair: Mr Phillips does have the floor.

Mr Phillips: Thank you, Mr Chair. I know it's always somewhat difficult with Mr Gilchrist.

Your chart here quite correctly points out that a majority of property taxes go to education—and the Legislature never sets that rate, by the way; it's set by regulation. Do you think it would be helpful if we in the Legislature had an opportunity to participate in the debate around setting those education tax rates that are set right now in secret by the cabinet?

Ms Andrew: If the elected members would do something about the onerous burden on business, absolutely. The fact of the matter is, you are right: in the Toronto example here, on a \$300,000 property more than half of the property tax is provincial education property tax. It shows up very high on our survey as something that has to be dealt with. It's the third-ranked priority after municipal property tax and personal income tax.

We would argue that if there's any money in the treasury to be spent on anything this year, it ought to be applied to reducing that provincial education property tax. A uniform average rate wouldn't work. You basically need to buy down the rates on the municipalities where the rates are very high. Mr Gilchrist is right: it is a fact of history that school boards bargained in different ways and ended up with different levels of education property tax, which the province took over. But now is the time to start buying down those very high rates, as was done in the 1998 budget. But much more is needed.

It's a big chunk of money to get that down to something reasonable that would compare across the country.

The Chair: Mr Christopherson.

Mr Christopherson: Thank you for your second presentation of the day. Here's the world we've got with municipalities: over the last seven years, we've had an enormous amount of downloading of responsibilities. It's pretty clear now that it wasn't revenue-neutral, that municipalities ended up with less money and more responsibility. Yet a lot of the things that make small business work are very different from large corporations trading and exporting on the world market. I think of downtown Hamilton and Westdale as examples of that. A lot of the things that matter to them in terms of competitiveness are those very municipal services that are provided, such as police protection, fire protection, the building and maintenance of roads, sewage, garbage pickup, snow clearing—all the sorts of things you don't really think about that can make a huge difference if you're competing regionally.

Yet you've still maintained that a balanced budget, which in effect means less money for municipalities—once you say the one, the other happens, because there's not enough money to meet the current demand, let alone anything expansionary. If balanced budgets are the priority, and yet you want local government to respond to a lot of the business issues which, quite frankly, are also citizen issues—often they're one and the same—their hands are tied. I have trouble, and I mean this very sincerely, trying to understand how you see both things being able to happen at the same time.

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Ms Andrew: I guess we don't accept your premise that it's been entirely a situation of downloading, that the exchange of services and costs—in some of the data I showed, some municipalities were up money on the exchange. They actually—

Mr Christopherson: Not Hamilton.

Ms Andrew:—claimed it was downloading. It's one of those things that almost requires a forensic analysis to get to the truth. There was that kind of analysis done for Toronto. It's easier for levels of government, I guess, to point the finger at each other than to actually solve the problems.

Our members are not well treated by municipalities. They don't even get equal access to the services. This latest round of changes on garbage in Toronto, for example, is another way of skirting around Bill 140, to put more of the cost of garbage and diversion into blue box and so forth directly on the business. So they're getting less service with more cost just on that one item alone.

If the taxes were even-handed across the categories of taxpayers, if it were a classless society in terms of there not being classes of taxpayers, then you would have accountability to the residents for the spending. Because businesses don't vote, they don't get the kind of response that is necessary. So I guess we don't accept your argument that municipalities have been dealt a poor deal by

government necessarily. In some cases there may be imbalances, but as far as I know, those imbalances were made up. Municipalities have not hesitated to download their problems on to business, and the levels of services provided to business certainly do not justify the kinds of taxes that are levied.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

CATHOLIC PRINCIPALS' COUNCIL OF ONTARIO

The Chair: Our next presentation will be from the Catholic Principals' Council of Ontario. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Mr Brent Wilson: My name is Brent Wilson. I am president of the Catholic Principals' Council of Ontario. With me is Lou Rocha, the executive director.

The Catholic Principals' Council of Ontario represents and supports over 2,000 principals and vice-principals in Ontario's Catholic elementary and secondary schools. These men and women work daily to foster an authentic vision of Catholic education, and strive to provide leadership that will in turn enable them to serve the needs of students so that they will be prepared to exercise Christian leadership as full and contributing members of Canadian society. As president and executive director, we welcome this opportunity to speak to you today.

CPCO shares the goals of the government of Ontario which are listed below. In addition, we support Ontario's Catholic school graduate expectations which are listed before you.

Principals recognize their role in implementing change for continuous school improvement. CPCO recognizes the importance of fostering educational leadership. Principals need support to develop and refine their skills and to acquire new knowledge to fulfill their roles. There is ample evidence that successful schools have strong and effective leaders. Educational reform dramatically expanded the role and responsibilities of principals in recent years. There are greater expectations for improved student achievement, involvement with parents and school councils, and public accountability. Principals and vice-principals are making extraordinary efforts to successfully implement these recent educational reforms.

As educational reforms continue to change the provincial landscape, the Ontario College of Teachers study indicates that 44% of teachers with principal qualifications are eligible to retire within five years. CPCO's own survey on retirement indicates that 43.1% of principals and vice-principals will retire within the next three years. Ontario schools have an urgent need to recruit future principals and vice-principals. Related to this is the fundamental requirement to provide training for the next generation of school leaders.

Principals have a key role in leading change in Ontario. As leaders, they develop consensus within their

communities on mission and direction. In ordinary times, experienced leadership and professional training programs are paramount to the creation of effective schools. This is even more critical today with the large-scale changes being undertaken in Ontario. CPCO's most recent membership survey indicated that 38% of principals and vice-principals have less than five years' administrative experience. This situation alone underscores the need for professional training programs to support school improvement.

In *It's All About Improvement*, the report of the Task Force on Effective Schools, they recommended increasing funding for professional development to an amount equal to 1.6% of payroll of school boards. This would equate to an annual amount of approximately \$1,500 for professional development for each principal and vice-principal. We concur with this recommendation.

CPCO established the Academy of Catholic Educational Leadership, ACCEL, in January 2001 to provide professional development and training for principals and vice-principals in the Catholic school system. In April 2001, the Ministry of Education's joint initiative project funded CPCO and other provincial principal organizations with \$4.5 million, of which CPCO received \$1.54 million. The ACCEL staff and the ministry staff worked together to ensure that high-quality programs were provided across Ontario with this funding. In so doing, the issues of accessibility and equity have been addressed by using a variety of delivery methods. By June 2002, CPCO's 2,000 members will have participated in over 3,800 training days, and CPCO will have delivered the following training programs and resources to principals, vice-principals and supervisory officers.

The ACCEL courses are constantly reviewed and kept current, and are of the highest quality. One of the courses reviewed by an external consultant received the highest rating in seven out of eight categories. There is no doubt that professional development delivered through CPCO effectively supports principals and vice-principals in their role as effective leaders and agents of change in Ontario education.

The quality of CPCO's materials and resources has been recognized by the Ontario College of Teachers. The college has accepted 13 of the courses as core professional learning programs under Ontario regulation 270/01. These courses meet the requirements in six of the seven categories outlined in the legislation, and you'll see a chart in the back of the booklet that outlines where those courses match up to the core learning programs. We are also awaiting approval on a number of other courses.

CPCO's membership survey on professional development indicated that more than 75% of principals and vice-principals are planning to complete the 14 mandatory courses in the next five years, despite the fact that 40% are eligible to retire in the next three years. The same survey indicated that principals and vice-principals believe the provincial principals' associations should develop and deliver the professional learning programs. Hence our second recommendation.

The ministry's joint initiative project was a good and necessary start to funding professional development for principals and vice-principals in the province. Further commitment is needed in the immediate future to develop and implement continuous professional development and training for principals and vice-principals. Given the high rate of retirement in the next five years, and combined with the relative inexperience of new administrators, it is imperative that the Ministry of Education make a long-term commitment to Ontario's school leaders. Funding professional development for principals and vice-principals is a sound investment in the future of Ontario education. The quality of programs that have been provided through the ministry's initial funding grant is a guarantee that such an investment is both valid and valuable. Hence our third recommendation asking for funding for over a five-year period.

In order to promote school improvement, the Ministry of Education must amend the current student-focused funding model to address the funding of school leadership. During the last four years, the number of teaching principals and vice-principals has increased while the time spent on administrative duties has decreased. At a time when school leadership is so important in implementing educational reform, many principals and vice-principals are working 60 hours a week trying to be both effective administrators and successful classroom teachers.

CPCO recommends that the funding model be modified to provide full-time principals in every school. We further recommend that all vice-principals be assigned to full-time administrative duties in order to prepare successfully for their future leadership roles.

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CPCO conducted a number of surveys in the fall of 2001. In November 2001, we released the paper called *Funding Effective School Leadership*. This paper identified four building blocks needed to support effective leadership: full-time principals and vice-principals; the appropriate funding for principals and vice-principals in order to implement number one; retention incentives, recruitment and security issues were identified and recommendations made around those; and the last one was professional development.

Ministry data indicate that a significant number of elementary principals and nearly one third of elementary vice-principals have assigned teaching duties. CPCO's own survey indicated that 68% of principals have performed the dual role of teaching principal, some for as many as 20 years. These educators face challenges on a daily basis. They try to provide high-quality instruction for their students but are often called away to deal with a serious problem or a parent concern. They are trying to complete numerous reports but have less administrative time and fewer administrative staff. They find it difficult to maintain ongoing communication with staff, students, parents and school councils. They cannot consult with all stakeholders to plan for school improvement and EQAO target-setting because of the time required to plan lessons

and assess students and also to teach. They will find it impossible to properly implement the new teacher performance appraisal model because their time is restricted by the amount of classroom teaching they must do.

While there are few teaching principals in secondary schools, the situation is equally challenging. Since 1998, 67.12 full-time-equivalent principal and vice-principal positions have been lost. At the same time, a radical reduction in the number of department heads has had a negative impact on the schools' administrative support structures. While secondary reform and the Safe Schools Act have created significant responsibilities for secondary principals in the present, the future will bring new issues and initiatives such as the double cohort, collection of personal information and the time-intensive teacher performance appraisal model.

CPCO believes that every school must have a full-time principal with no teaching duties. They must be allowed to devote their full attention to the organization and management of the school, the implementation of curriculum and the supervision of staff. Therefore, our fourth recommendation is that the funding model be adjusted to incorporate this idea.

Vice-principals have a key role in the school system. In addition to their function as members of the administrative team, these people are the future leaders of our schools. As such, they must be given the time to properly develop their leadership skills and learn the role of principal while interning as vice-principals. Similarly, principals must have the time to guide and mentor their vice-principals.

With the impending leadership shortage due to retirement patterns, it is essential that highly qualified candidates be recruited to the position of vice-principal. Our school systems must be able to prepare future leaders for the role of principal. That preparation cannot be facilitated when vice-principals have part-time or full-time teaching assignments in addition to their administrative duties. In elementary schools, some 28% of vice-principals have teaching assignments, compared to 4% of secondary vice-principals. Therefore, we recommend that all vice-principals be assigned full-time administrative duties.

The student-focused model provides funding based on average expenditures of school boards in 1996. The model provides funding for principals and vice-principals based on board enrolments. Basically, it says one elementary principal for every 363 students, one elementary vice-principal for every 1,333 students, one secondary principal for every 909 students, and one secondary vice-principal for every 666 students.

If you look at ministry data, they indicate that 67.6% of elementary schools are under the 360 students, and 33% of secondary schools are under the 600 enrolment figure. These data show clearly why boards are experiencing difficulty assigning full-time principals and vice-principals to all schools. The funding model does not address the reality of Ontario's schools. Two thirds of elementary schools do not have enough students to gen-

erate funding for a full-time principal. The model similarly disadvantages many rural school boards, and some urban school boards, that have high schools with fewer than 900 students.

There is a significant need to review the student-focused model. The ministry must take steps to reassess the funding for administrative staffing in elementary and secondary schools.

Thank you very much.

The Chair: We have about a minute and a half per caucus, and I'll start with Mr Phillips.

Mr Phillips: On the challenges of a principal for every school, one of the challenges I think is to keep smaller schools open for communities. I've always felt that there's a trade-off. If you have a smaller school, you often have a school with a lot more intimacy than a school in your community, but you don't have exactly the same levels of service.

I'm just wondering what impact it would have if we did mandate that every school had a full-time principal. Is there the risk that that leads then to the school board saying, "If we have to do that, it's a bigger reason why, therefore, we may have to close that school. In setting priorities, we just simply can't fund that"? If enrolment, let's say, drops to 220 or something like that, would the community be better off with a part-time principal doing some teaching, if that meant keeping the school open?

Mr Wilson: One of the things that's in here is really the idea of funding for a full-time principal. There are so many things that person can be doing that are system oriented, also. At a time with the changeover being so fast in education, all the new initiatives coming in in terms of legislation and also the turnover rate because of retirements, there are a lot of people who need mentoring. So what I could see is that a smaller-school principal could have system responsibilities that may take over the mentorship of new teachers or an induction program for new teachers, to help them with the new curriculum and also help focus them on testing results and those types of things.

At the same time, the person could also take on a leadership role in terms of new vice-principals in the system and actually hold ongoing professional development as part of the role. I think there's an expanded role that you can have for these people. These people are excellent teachers. They were excellent teachers before they became principals and they haven't lost that teaching ability, so to be able to apply that teaching ability now to helping adults and teachers within the system do a better job for the whole system would improve education.

Mr Christopherson: Thank you for your presentation. No matter who we hear from in the education system, it's primarily the same message: that there's not enough funding, that things are deteriorating, the pressures are getting greater and greater and if you don't get some relief soon in terms of new funding, the system is going to outright break.

I was interested when you talked about the number of vice-principals who are assigned to non-administrative

duties before they become principals. I thought to myself that it's like taking a co-pilot for an airliner and keeping him on the ground doing maintenance when the whole idea is to have him or her eventually become a pilot.

You also mention on page 2, "Principals and vice-principals are making extraordinary efforts to successfully implement recent educational reforms." Given the pressure that teachers are facing, and we've heard from many, is it your experience that there are otherwise excellent teachers who would make good vice-principals and principals who are looking around and saying, "I know what my world is right now. The thought of taking on even more responsibility for administering this crisis is something I'm not interested in"? Are you having any difficulty recruiting teachers you'd like to see promoted up into vice-principal and principal ranks who are saying, "Not a chance; it's just not worth it"?

Mr Lou Rocha: I'll take a stab at that. It was our information about a year ago that in fact principal courses are bursting with enrolment. Therefore, it's very surprising to hear school boards saying they can't get people to apply for the position. On the one hand, you have a lot of qualified teachers who have principal's papers, but they're not applying for the job of a vice-principal or principal in some of the smaller boards. We have done a couple of studies that indicate there's a fair amount of stress and there are a lot of disincentives in the job. One of the goals that we always carry forward is to try and promote the benefit of being a school leader and talk about the good that you can do for the system. But it is a struggle and it is a reality in the field.

Mr Christopherson: You have to convince people to do this, as opposed to it being something they would ordinarily see as part of a career path.

The Chair: Thank you very much. I have to go to the government side.

Mr O'Toole: Thank you very much for your presentation. Just looking at the opening line here, you say you share the government's goal of—I'm just focusing on one thing—"providing equitable funding to all students in the province." Of course, that was the original starting point of all these changes for the publicly funded education system.

I can tell you, as a former separate school trustee, the Catholic system has benefited from this and to say otherwise would be a complete misrepresentation of the facts. There have been winners and losers in this, and I think the winner—and I hate to put it in those dramatic terms—has been the Catholic system. Yet I'm not convinced that it isn't just more of the same. It has been sort of replicated and they're becoming much alike. Unfortunately, I have a problem with that, and many of the people in Ontario do as well.

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I'm not blaming you personally, but as you've said several times, you are the leaders. What I'm looking for is, how are you different than the public system, if it's identical in every other way except language? In fact, the position has been that they took the appeal to the Supreme Court on the ability to hire based on religion.

The most recent attack has been OECTA's position—and this is my question—on refusing student teachers to participate in practice teaching in the classroom. You're a leader and a manager, and these are difficult but necessary decisions. Do you support OECTA's position—this is on the public record—to reject those student teachers' right to teach and to have practice teaching? It's difficult to make a decision, but I want the record to mail out to my constituents, who are very upset about this issue. Do you support the OECTA union position or not?

The Chair: I think we have received the question, so give him a chance to answer.

Mr Rocha: The question is clear, Mr O'Toole; the answer may not be so clear. We certainly struggle with OECTA's decision. It's had a significant impact on Catholic schools in particular, and there are various reasons why that has happened. Perhaps one of the possible responses is that the other unions haven't acted in a like manner; otherwise the situation would have been more widespread. Certainly in our most recent discussions, we feel that a lot of impact has been placed on Catholic schools because of the position of OECTA.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS

The Chair: Our next presentation is from the Ontario Confederation of University Faculty Associations. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Dr Henry Jacek: I'd like to thank the committee for hearing us once again. I was here last year. I'm pleased to be back again, and certain parts of my presentation will, I hope, have continuity with last year's.

My name is Henry Jacek. I'm president of OCUFA. On my right is Henry Mandelbaum, our executive director, and on my left, Mark Rosenfeld, our director of research.

The Ontario Confederation of University Faculty Associations represents approximately 11,000 faculty and academic librarians in Ontario's universities. We're pleased to be here today. Our brief makes a number of recommendations, but I just want to highlight two of the most pressing ones.

I'm pleased to be here, but at the same time I'd like to say that it is distressing to me that although last year I tried to impress upon you the dire straits of universities and their ability to deal with the faculty shortage, the aging faculty and the increasing numbers of students—that was what we talked about last year, particularly putting emphasis on the faculty shortage—it's with a great deal of regret that I point out that universities today are worse off than they were a year ago.

Our first major request is that the government of Ontario needs to increase the base operating support for Ontario universities by \$200 million each year for the next two years. This is additional to the money that was pledged in the May 2001 budget. If we are to have any hope of meeting the needs of students who will be coming through our door over the next two, three, four or five years, the double cohort and the other students who are coming, there is no way we will be able to accommodate them without major additional funding. The universities are overcrowded now, there are bottlenecks, there are shortages of all kinds. How we are going to accommodate the additional 50,000 students over the next two years without money I have no idea, and we need that money quickly. We have less than a year to prepare for the major onslaught.

Actual enrolment increases are outpacing projections by the Ministry of Training, Colleges and Universities. The numbers used in last year's budget underestimated the number of students who were coming to university. The number of full-time students this year increased by 5.2%. A year ago the government figures would not have had that in there at all. The Ontario Universities' Application Centre reported last month that the number of applications for this coming September shows an increase of 16%, on top of this big increase of 5.2% that we saw this past September. A lot of this is the impact of the double cohort, but there are also other factors at work.

The May 2001 provincial budget allocated \$218 million over three years to universities, with the bulk of that money back-end-loaded, coming in the final year, and indeed after the final year in many ways. Most of this money will come too late to benefit students in the 2003 double-cohort year and, when it does come, it will not support the increased enrolment.

I also have to point out that, of the money that was pledged in last year's budget, the universities have not yet seen a single dime pledged by the finance minister last May. Not only that, as far as I know, as of today, the universities have not even been told what their share of that pledge is. Yet the students who are supposed to be supported by that money in last year's budget have been in the universities for over six months. It's virtually impossible to properly plan in universities when we have budgeting rules such as the kind I've just described. It's a nightmare for university budgeting committees. I would point out that two years ago I was the chair of the McMaster University budget committee and I know how difficult it is to put together a budget when you don't even know what kind of money is coming from the province or when you're going to receive it.

To put it in perspective, the May 2001 budget will not make up for the large funding cuts to universities over the past half decade. Between 1995 and 2003-04, there will be a 20% reduction in operating grants for full-time-equivalent students when adjusted for inflation and projected enrolment increases.

Many of the university presidents and vice-presidents have spoken out about the unworkable financial situation we face. The CEO of Queen's University, one of the

major universities in the province, has stated publicly that this year he is going to have to cut \$8 million in services from his budget. He is going to put a freeze on faculty positions. That means as faculty leave, as they retire, early retirements and other reasons, they will not be replaced. That means 80 faculty positions are being cut from Queen's University next year, at a time when our enrolments are expected to shoot up. As the principal of Queen's University said, we are going backwards in this province when it comes to policies toward universities.

At Ryerson University the board of governors has approved a 3.7% cut to the instructional budget; the University of Western Ontario, a 3% cut to its academic and instructional budget; and now the University of Toronto is considering a 4% to 5% budget cut. The vice-presidents there have just said in a recent communication that although they said they would take 9,000 of the 50,000 expected new students over the next two years, it has become very clear to them that unless they get new money, they cannot meet that commitment.

The president of Carleton University says there is limited space to study journalism, architecture and engineering. The University of Windsor is placing caps on its five most popular programs. It means that even if there are places for students, they will go to programs which are not their priority. They will essentially be cut out of programs that today they would qualify for, but there won't be space for them one, two, three, four years down the road.

On Thursday you will be at Waterloo. I urge you to pay special attention to the presentation by the vice-president, academic, at the University of Waterloo. I think he will confirm the things that I am saying here today.

The Ontario faculty-student ratio is the worst in Canada. Over the past 10 years it has deteriorated by 25%. It is now 10% worse than in the other provinces. It is higher than the public jurisdictions in the United States. What this means for individual students is less individual attention and less contact with faculty, and we know that, in terms of academic progress, those are the most important things in terms of increasing a student's learning experience.

There is, as I pointed out, a growing shortage of university faculty. I pointed that out last year in my presentation here. As I said, it's getting even worse. We see the situation at Queen's; we will see this at other places. Many of our best graduate students and young professors are being lured away by universities elsewhere. Quite simply, the competitive challenge for Ontario is that the better-funded US public universities, with 50% more revenue per student than in Ontario universities, can provide better salaries, research facilities, equipment and resources for its faculty and it is especially attracting our younger, bright Canadian faculty members. There is stiff competition for high-quality faculty and staff because of the faculty shortage crisis.

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This was discussed a bit last year. I discussed this with Mr O'Toole last year and sent him a follow-up letter on

February 21. Two universities he was especially interested in were two state universities in the United States: the University of Georgia and UCLA. In my letter to Mr O'Toole I pointed out that last year at this time, Ontario universities received about \$6,400 per student. At the University of Georgia, each student received \$20,000; at UCLA, over \$27,000. You can see what a tremendous disadvantage we are at. We would be in paradise if we could even approach what the state of Georgia gives the University of Georgia and what the state of California gives to UCLA.

The next point is, what would be achieved if we increased our investment \$200 million in each of the next two years? First of all, we could accommodate our enrolment. Second, we would be able to hire the faculty we need for this increasing number of students. We would be able to increase the student-faculty ratio to at least the Canadian average and stop the quality deterioration in Ontario's public universities. We need this money if the government is going to keep its promise to the people of Ontario that every qualified and willing student who wants to go to an Ontario university will find a place at that university. The Ontario government has made that promise. We agree with that promise. We have to have the money to make that promise valid over the next two years.

Our public opinion surveys—we've been doing quite a few of them; some have been sent out to members here—show that people agree with us. They want increased funding for higher education. For example, in our London-Middlesex-Oxford survey in November, 91% of voters say they want to increase government funding for higher education.

The second and final point I want to make is that access to post-secondary education among these students who are coming is closely linked to Ontario's economic performance. We need to educate these people. Our future economic viability as a province depends on this. For that reason, we call for a freeze on tuition fees. We point out that more and more students are paying for their university education. It has gone up increasingly over the years, to where it's now about 37% of Ontario revenue, where a few years ago it was down around 20%.

There is as well, among the surveys we have been doing over the past year, tuition fatigue. It is very clear that people in Ontario are in favour not only of freezing tuition fees; they want lower tuition fees. They're worried they will not be able to afford to send their children to university. I think this is a very serious problem. So we have to have money to hire the faculty, be ready for these students and not try to finance this problem on the backs of our students. Thank you very much.

The Chair: We have two minutes per caucus, and I'll start with Mr Christopherson.

Mr Christopherson: Welcome back to Queen's Park, Henry. It's always good to have a prominent Hamiltonian front and centre. I want to return to your earlier comment that not only do you not have enough money, but that it's coming too late in the year to benefit students of the

double cohort in 2003. Could you expand on that a little bit? Exactly how does that work? You're talking about the students being in the university for six months, but the money is back-ended. Where does that leave the university now?

Dr Jacek: It means that the universities follow a very conservative budgeting strategy. The universities do not want to run a deficit. If the money is not there, if it's not even pledged to a particular university, we don't count that money. So right now, a university like McMaster is putting together its budget for next year, and it has no idea about its revenue for this year, because the government has not told it exactly what its share of the money is for this past September. It certainly has not received that money, yet we have to pay for services for students who arrived in September.

Imagine if you had an employer, and your employer said: "Go ahead and spend money. I'll pay you nine months, 12 months after you've done your work." I think most people would say: "Hey, I do my work. I should be paid at the point at which I'm doing my work." The universities are getting their money nearly a year after they're supposed to be taking care of these students. It's just an impossible situation. It results in very careful management of money so that we don't overspend, and we don't hire faculty we can't pay for and do all the other things we should be doing.

The Chair: For the government side, Mr Spina.

Mr Spina: Gentlemen, I need a little help understanding the variance in student enrolment. I think you said the ministry predicted a 5.2% increase for this coming year, I guess 2002-03. Is that correct?

Dr Jacek: No. That's the actual increase of this past September. I think the ministry was predicting a 4% increase or so. In terms of ministry projections, at this point we're probably running about 7,000 to 8,000 more students than were projected and were in the figures for last year's budget.

Mr Spina: The ministry obviously gets its numbers based on high school matriculation, right?

Dr Jacek: Well, there are a lot of numbers out there. A lot of the numbers come from estimates from universities and making what kind of assumptions you want to make. For example, one thing that has happened over the past year is that the percentage of students who want to go to university from a particular age group, the entering age group, has gone up a point and a half, 1.5%. That's a number of thousands of students.

Mr Spina: So this really isn't the double cohort at all. That's not starting to kick in till probably January of next year in a phase, because I know—my wife teaches high school—some of the kids are taking some of their credits sooner—

Dr Jacek: That's right.

Mr Spina: —so they can get a jump-start, as it were. But that isn't likely going to take place until the second semester of next high school year.

Dr Jacek: We already have a 15% increase in applications for this coming September.

Mr Spina: Where are these kids coming from?

Dr Jacek: A lot of those are people who are fast-tracking. Instead of waiting till 2003, they're trying to get out in 2002.

Mr Spina: So if you—

The Chair: Mr Spina, we've run out of time. I have to go to the official opposition.

Dr Jacek: I wouldn't say it to the high schools, but certainly we need more money.

The Chair: Order, please.

Mr Phillips: Thank you for the presentation. I'm trying to get the recommendations down in my own mind. You're suggesting the requirement is \$200 million for the upcoming school year?

Dr Jacek: For this coming fiscal year.

Mr Phillips: Starting in September. Is that correct?

Dr Jacek: Our budget years normally begin May 1 or so.

Mr Phillips: So it's \$200 million?

Dr Jacek: In addition to what was pledged last year.

Mr Phillips: So nothing has flowed yet from what was promised last year.

Dr Jacek: No. The way budgeting to universities in this province currently works, none of the money that was pledged in last May's budget has actually reached the universities, nor have individual universities even been told the amount of money they will have. This is for a fiscal year that is going to be ending in April and for which the students have been here since September.

Mr Phillips: Right. They pledged roughly \$300 million last year.

Dr Jacek: No. The government pledged \$218 million over three years, most of which was supposed to be at the very end of that three-year period—for this year, \$25.8 million, based on the enrolment increase.

Mr Phillips: It says in the budget, which I'm reading here, \$293 million.

Dr Jacek: That includes colleges. I'm just talking about universities.

Mr Phillips: Right, right—\$300 million. And you're suggesting there's a requirement for another \$400 million, is that correct?

Dr Jacek: Exactly.

Mr Phillips: That's required, I gather, for a portion starting right away. So I guess we're short somewhere around \$600 million from the current number, is that correct?

Dr Jacek: I'm not even talking about this year; I'm talking about \$200 million for next year, which is the second year of last year's budget cycle, and then \$200 million for the third year. We're not even asking for more money for this year. We're just sort of saying: "If we get the money that's pledged for this year, let's forget about it. Let's look forward to next year."

Mr Phillips: I understand. But over what has actually been spent in the budget this year, the total increase after two years would be about \$600 million a year.

Dr Jacek: Yes.

The Chair: With that, Mr Phillips, I have to bring it to an end. On behalf of the committee, thank you very much for your presentation this afternoon.

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ONTARIO RESTAURANT HOTEL AND MOTEL ASSOCIATION

The Chair: Our next presentation will be from the Ontario Restaurant Hotel and Motel Association. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Mr Terry Mundell: Thank you, Mr Chairman and members of the committee. It's a pleasure to be here this afternoon. My name is Terry Mundell. I'm the president of the Ontario Restaurant Hotel and Motel Association. With me are my colleagues Ryan Parks and Lisa Marsden.

As I think you're well aware, the hospitality industry in Ontario contributes significantly to the provincial economy. In fact, the industry generates over \$18 billion in annual sales and has over 22,000 food service establishments and nearly 3,000 accommodation properties. Some 60% of food service establishments are independently owned and operated, and nearly half of the accommodation properties have 30 or fewer rooms. It's important to note that when we speak about the hospitality industry, in many cases we're talking about the financial health and well-being of a small business operated by individual Ontario entrepreneurs and their families.

Our operators are involved in a turbulent sector of the economy. For example, the food service sector has averaged profit margins of only 5% after taxes. The sector also provides jobs for approximately 46% of all entry-level workers in the Ontario economy. Juggling paper-thin profit margins, providing good jobs for Ontarians and weathering the uncertainties of the economy are just a few of the challenges that the hospitality industry faces.

This year, hospitality operators provided all levels of government with approximately \$2 billion in tax revenue. In fact, the average full-service food service establishment paid over \$170,000 in taxes to all levels of government. It's quite an accomplishment, considering what kind of year 2001 turned out to be. In general, although 2001 was a very difficult year for the provincial economy, it's especially true for the hospitality sector. The economic slowdown that began last winter slowed growth in this sector to a near standstill, and then of course we had the terrorist attacks in the United States. The ensuing economic confusion had dramatic effects on tourism, consumer confidence and Ontario's economy. The last quarter of 2001 saw an unprecedented decrease in foreign visitors to Ontario. In September alone, international border crossings dropped by 29% over the previous year. The trend continued through to November, which saw a 17.8% decrease compared to 2000. Year-end occupancy rates decreased by 7% compared to the year 2000 as well.

The Ministry of Finance economic outlook and fiscal review anticipates slow economic growth. Unfortunately

for the hospitality industry, it is one of the first sectors of the economy to suffer from a downturn and one of the last sectors of the economy to recover. Disposable income is a big part of our business.

However, there are reasons to be cautiously optimistic. It is clear that the government has recognized it has a role to play in any recovery. Government investment and progressive taxation measures have benefited us in the past and will go a long way to brighten the economic horizon.

I would like to take this opportunity to focus on how the government can encourage tourism and assist in the creation of a healthy hospitality industry. It is clear that border security and unfettered cross-border travel are essential to a sustained economic recovery. While we recognize that border security is a federal jurisdiction, we were encouraged to hear the Premier advocate closer security co-operation with US authorities. We would encourage the provincial government to continue to monitor this issue and to ensure that the federal government deals with this issue in a timely and effective manner.

In addition to security and cross-border traffic, the government has a unique opportunity to strengthen Ontario's competitive position as a tourism destination. While we applaud recent investments the government has made in the tourism sector, we believe that more can and must be done. Opportunities exist to market Ontario as a safe location where a favourable exchange rate means even greater savings for the consumer. Continued government investment in tourism marketing initiatives will help leverage previous investments and ensure that Ontario does not lose ground to other tourism jurisdictions.

The ORHMA recommends that to maintain pace with competitive jurisdictions, the Ontario government commit to a multi-year investment similar to the 1998 \$120-million, four-year investment to attract more visitors and create jobs in the tourism industry. Additionally, we recommend that the government work with the tourism stakeholders to develop new funding partnerships and invest further new money in targeted regional marketing initiatives.

I would like to now focus on property tax reform. The ORHMA supports Bill 140, the Continued Protection for Property Taxpayers Act. We believe it was necessary for the Ontario government to create a fair playing field for property tax levels throughout the province. In Toronto alone, commercial property tax levels are three times the provincial average. Unfortunately, many municipalities have yet to move their property tax levels to within the prescribed range of fairness. With so little activity from the municipalities on this front, we believe it is time for the government to require all municipalities that have not yet moved their commercial property tax rates to within the range of fairness to do so over a prescribed phase-in period to be completed by 2005. As for municipalities that may seek an exemption from the caps imposed by Bill 140, ORHMA recommends that such exemptions be denied.

The ORHMA supports the government's efforts to remedy core deficiencies in the tax system. Taxation within the accommodation sector requires immediate attention. As a result of a flaw in the assessment process, Ontario accommodation properties currently pay 80% more taxes than the national average. Such punitive taxation assessment must be corrected. In fact, the Beaubien report recognized these problems and made several helpful recommendations.

Unfortunately, today we are still waiting for government action on this issue. We are optimistic that the government will recognize the merit of our concerns and the content of the Beaubien report and will act to remedy the current problem. The Assessment Act clearly states that the value of a property for property tax purposes is to be based on the value of the land plus buildings. The assessment process for accommodation property does not meet this standard. Although business value is acknowledged, it is not adequately deducted. Assessors in Ontario have concluded that the deduction of management fees removes the entire business component. This is a mistaken assumption and creates a de facto income tax. The more an accommodation property earns, the higher the value, the more property tax it pays. Establishing a flawed assessment by not removing the business component is not fair taxation.

The ORHMA requests the government to amend the current assessment methodology being applied to accommodation properties for the purposes of property tax and to change this methodology to ensure the business enterprise value is fully deducted.

The government of Ontario has made great strides in improving efficiency of government ministries; however, too little attention has been given to the agencies, boards and commissions that the government operates. These organizations continue to grow and expand at an alarming rate, in many instances costing taxpayers millions of dollars annually and creating a large bureaucracy and increasing red tape.

In particular, the Liquor Control Board of Ontario is not investing enough resources to improve product selection and service delivery for licensee customers. It appears that the entire process of modernization and service improvement has been focused solely on the retail operations, at the expense of their wholesale customers. The LCBO must act to modernize its wholesale business. Currently the licensee client base, approximately 17,000 in Ontario, representing over \$480 million, or one out of every \$6 in annual sales by the LCBO, is being ignored. This modernization must extend well beyond process, service and infrastructure. It also must include a reform of certain fees and charges that are levied on sales to licensees.

One of the main constraints placed on hospitality entrepreneurs is the high level of taxation they must endure. Perhaps more than most taxes, the gallonage fee charge on the sale of spirits, beer and wine appears to be the most unjustified. It's a tax on top of a tax. Currently, licensees pay two separate licensing fees. They pay a flat

annual licensing fee and then they pay a fee based on the number of units of alcohol they sell. These fees are included in the price of the alcohol before a 10% provincial sales tax is levied. The ORHMA has long believed that in an industry with paper-thin profit margins, these fees place an unwarranted financial burden on licensees. Therefore, the gallage fee should be eliminated.

The ORHMA recommends the government require the LCBO to modernize and improve the service of its wholesale component by engaging stakeholders in constructive dialogue. Additionally, the ORHMA recommends that any cost savings realized by this modernization be reinvested to either improve the general levy of wholesale service offerings or reduce excessive licensing fees. Furthermore, the ORHMA recommends the government eliminate the gallage fee that promotes the unsound principle of charging a tax on a tax.

Profit-insensitive taxes such as the employer health tax have a disproportionate impact on labour-intensive workplaces such as the hospitality industry. Acknowledging this, the government in 1996 exempted the first \$400,000 of payroll from the EHT. This had the net effect of creating 93,000 new jobs. At a time of such economic uncertainty, the government could ensure the creation of new jobs by raising the EHT exemption from the first \$400,000 to the first \$600,000 of payroll. Increasing the exemption to \$600,000 would have wide-ranging positive effects on most sectors of the economy and would make it consistent with the government's annual paperwork threshold for other taxes. This measure would affect 45% to 55% of the hospitality industry, mostly small to medium-sized enterprises. Family-owned operations such as Lucy's Seafood Kitchen and Café, with locations in Mississauga and Barrie and operated by the husband-and-wife team of Len and Lucy Little, parents of four children, would benefit greatly from an increase in exemption. Raising the EHT exemption would make Ontario more competitive, as neighbouring jurisdictions such as Manitoba currently exempt the first \$1 million in payroll compared to our \$400,000 level.

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There is a clear instance of an industry that has evolved at a faster rate than the taxation system: home meal replacement versus restaurant meals. Today's families and working parents experience time poverty. As a result, there is a relatively recent phenomenon at your local grocery store. It's known as home meal replacement, or HMR. HMRs are full meals that are precooked and ready to eat after being defrosted and/or heated. HMRs are aggressively marketed as alternatives to restaurant meals. They're fast, convenient and currently tax-friendly and tax-free. Whereas an identical meal served in a restaurant is subject to retail sales tax, an HMR is exempt. For example, an HMR of fried chicken, mashed potatoes and vegetables is available from your grocery store tax-free, while a family meal from Kentucky Fried Chicken, a nearly identical offering, is fully taxed. It's frustrating for our operators that taxation policy has not kept pace with developments in

the food industry, to the point where they and their businesses are punitively harmed and automatically placed at a competitive disadvantage. The government must level this playing field. Either HMRs must be subject to the same tax that restaurant meals are subject to, or both meals must be exempt.

On a separate but related topic, meals purchased at restaurants that are priced lower than \$4 are exempt from retail sales tax. This tax threshold was introduced 15 years ago, and has not been adjusted to account for inflation. We ask the government to increase this threshold to \$6 to meet with inflation.

Finally, we would like to encourage the government to reinstate business meal deductions to previous levels of 100%. Prior to 1988, business meals were fully deductible. Since then, provincial deductibility has slipped to 50%. It is true that restaurants are the boardrooms of small business. At a time when both discretionary business spending and consumer confidence is low, such an initiative will assist the hospitality industry and the wider business community. This measure allows the government to encourage spending and assist the food service sector through these difficult economic times. Therefore, the ORHMA recommends that the Ontario government reintroduce 100% tax deductibility for business meal expenses.

In conclusion, the ORHMA believes that with strategic investment in tourism initiatives and creative alterations to the current taxation structure, the hospitality industry in Ontario will be able to make a faster economic recovery, thus creating jobs, boosting tax revenues and ensuring a healthy and competitive Ontario economy well into the future.

The Chair: Thank you very much. We have two minutes per caucus.

Mr Hardeman: There are a couple of items I wanted to quickly touch on; one was the LCBO. I'm just curious. You mentioned in your presentation that they've turned over almost \$1 billion to the provincial government. I hear from the LCBO that that's because they run such a good, effective and efficient business; that they do such a good job, they can make big money selling alcohol on behalf of the taxpayers. But in your report, you seemed to indicate that you think they're raising the money in different ways, through taxation, because they do have the monopoly. You're suggesting that there are efficiencies they could find to do things differently, to actually provide a better service to their customers, such as the wholesale industry. Is that correct?

Mr Mundell: I think people need to remember, one of the biggest points to this is that when we talk about LCBO modernization, the average person understands the LCBO store, what they see in their community. What they don't understand is that the LCBO also services over 17,000 licensees in the province of Ontario. There is a wholesale component to that business. We believe there are a certain number of inefficiencies within that wholesale component that could in fact drive more revenue, drive sales, drive some potential margins back into the

hospitality industry, where we could create more jobs and more revenues for government through our entrepreneurs. So I think there are opportunities, that the LCBO could find efficiencies in their wholesale system.

Mr Kwinter: I want to commend your industry, because it's really the basis for a lot of economic activity in this province. I think a lot of people don't understand that.

I have a couple of questions; one has to do with these HMRs. The problem you have when you're trying to compare someone going into a restaurant and paying tax, and someone walking into a supermarket and buying a TV dinner or some such thing is that people usually don't go to restaurants just to eat. If they want to just eat, they can eat at home. They go to a restaurant because it's an evening out. It's a way of celebrating something. It's a totally different environment. I think it's very difficult to equate one with the other, that the food you get at a supermarket should have the same tax as the food you get in a restaurant. I don't know how you feel about that.

My feeling is that with new technology in the food processing industry, with which I have some involvement, there are things that happen in the processing of food to give it longer shelf life, to give it greater nutrition and all of these different things, and it becomes more convenient. In some cases, it's cheaper for a consumer to buy it at the store than to buy all the ingredients and make it themselves just because of the economies of scale. How do you feel about that?

Mr Mundell: I think the issue that we're looking at is tax equity, quite frankly. In effect, I think the food service industry, the restaurant industry, feels a little bit like the research and development arm for the large grocery stores, because what is happening is the home meal replacement system which has been put into place by most of these establishments essentially is restaurant meals.

The tax equity issue affects those in a takeout facility the same as it affects those in a sit-down facility in a restaurant. So the issue of whether you go in for the ambience in a restaurant or not, is not one which takes place in this particular scenario. In fact, you go into a quick service restaurant to take out a meal and pay your tax on it for the same reason, because of the time poverty. You want to get in and out and go to your next event, the same reason you would in a grocery store. So from that perspective it is essentially a level playing field; however, there's a 7% tax situation, which is not a level playing field.

Mr Christopherson: Thank you for your presentation. It's good to see you again.

You note in your report on page 5 that the December 2001 data showed that you had an annual decrease in occupancy rates and revenue per available room of 7% when compared to 2000. I suspect that your projections, as you note here, for 2002—the term you use, a little “less than robust,” is probably putting it mildly.

The New Democrats, as I'm sure you know, proposed last year, after September 11, a number of short-term

measures to indeed bring people back out into the restaurant community and tourism. Are there short-term measures that the government should be taking, in your opinion, that would spark some activity in your area, or are you going to have to wait for the overall turnaround before you can see anything significant?

Mr Mundell: I hope we don't have to wait for the overall turnaround to see anything significant. There are some short-term measures. Again, the business meal deductibility is one of those issues. The restaurants are the boardrooms for small business across Ontario. There's no doubt about that.

The other opportunity as well is that we're missing the “business business,” if you will, right now. As people go through their traditional business cycles, as the economy starts to get a little better, both stateside and in Ontario, we start to see some business spending coming, but if there is an opportunity to somehow entice businesses to spend some of those dollars on various corporate events, then those are items which would help us short-term, for sure.

I don't think there is any doubt that funding in destination marketing is essential right now as well. We need to invest in destination marketing. We need to get that rubber tire traffic coming into Ontario. Having said that, we can't forget the European and Asian marketplaces. We are seen as a safe destination. We are well positioned in Ontario, but we can't lose ground to other destinations that are spending those dollars, and we're not. That's a significant hit for today, for the near term, and particularly in the Asian and European communities as well. We need to stay out in those marketplaces and we need to work that rubber tire traffic.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

1520

ONTARIO CATHOLIC SCHOOL TRUSTEES' ASSOCIATION

The Chair: Our next presentation will be from the Ontario Catholic School Trustees' Association. On behalf of the committee, welcome. Could you state your name for the record, please.

Ms Louise Ervin: Good afternoon. My name is Louise Ervin. I am president of the Ontario Catholic School Trustees' Association. To my immediate right is John Stunt, our executive director; to my left are Dr Paul Whitehead, our vice-president; and Carol Devine, our director of political affairs and media relations.

Dr Whitehead and I will do the presentation this afternoon. If I start coughing, John Stunt will take over for me.

The Ontario Catholic School Trustees' Association represents all 29 English Catholic district school boards and five English Catholic school authorities in the province. We appreciate this opportunity to have input to the province's pre-budget consultation process.

Our presentation today is based in large part on the education finance brief that our association presented to the Minister of Education in the fall of 2001. Our brief, entitled *Student-Focused Funding: Addressing Adequacy*, is included in our documentation today.

OCSTA and its member boards share the government's goal of providing high-quality education for Ontario's students. We note and strongly support the government's, as well as all of the parties', stated commitment to maintain education as a provincial priority.

OCSTA has long maintained that, to be acceptable, the education funding system in Ontario must respond to four essential principles: equity among all Ontario school boards and students; adequacy of resources in the funding system; flexibility and autonomy to address the goals of each system and to meet local needs; and accountability to ensure efficient and effective use of educational resources for students.

OCSTA wishes to acknowledge again the actions of the government in establishing a fair and equitable funding model for Ontario's four publicly funded school systems. Although delay in implementing equity in Toronto and Ottawa and the impact of many years of inadequate funding levels for the province's assessment-poor boards continue to create challenges, very positive steps have been taken toward achieving equity. OCSTA is carefully reviewing this aspect of the funding model in preparation for the required 2003 legislative review.

OCSTA and Catholic school boards acknowledge and appreciate the refinements made to various parts of the funding formula since its introduction, as well as the examples of one-time funding provided to boards for various purposes outside the formula. At the same time, we are alert to the impact of each of these adjustments across the four publicly funded systems. We urge the government to continue to maintain the integrity of the model and its fundamental commitment to equity in the face of all such adjustments.

OCSTA sees the funding model and the basic principles and structures upon which it is built as fundamentally sound and workable. It is important, however, to distinguish the structure and concepts of the funding model from the level of funding it allocates at any point in time. It is clear to OCSTA and our member boards that some allocations within the funding formula are currently inadequate to meet the needs of students, schools and school boards. The data on board costs on which the model is built is outdated, in most cases derived from a 1996-97 costing framework. Real cost increases have not been systematically recognized within the formula since it was introduced in 1998, a period in which the CPI has increased by over 8%.

OCSTA believes that the credibility of student-focused funding depends upon congruence between the level of allocations within the model and boards' actual costs. OCSTA strongly recommends that the Ministry of Education establish a provincial system to track changes in school board costs on a regular basis and update the costing framework accordingly.

Catholic school boards have a history of cost-effective operations. They will continue to carefully manage their resources and to remain accountable to their communities. At this critical moment in the development of the funding formula, however, OCSTA must express to you our concern about boards' ongoing ability to meet all responsibilities and maintain current service levels within the dollars allocated.

Dr Paul Whitehead: The actual amount of revenue generated by some aspects of the funding formula is problematic, as it has not kept pace with costs. Of concern also is the manner in which that revenue is currently made available to school boards; that is, on an annual basis only. School boards require multi-year grant forecasts in order to engage in effective long-range planning. This is especially critical in light of the new requirement for three-year collective agreements between boards and their teachers, beginning in August 2004.

Our member boards continue to report to us their concerns about the adequacy of specific areas of the funding formula. As previously mentioned, all of these are outlined in some detail in our finance brief. In the time we have today, however, we would like to summarize just a few of the key issues our boards have identified.

The significant gap between the formula allocation and realistic board costs for staff salaries and benefits is an area of major concern. For example, in 2001-02 there was no adjustment for salaries. School boards are challenged to negotiate fair and reasonable collective agreements with their employees within the constraints imposed by limited funding and provincial requirements on class size and teacher workload. Salaries and wages comprise approximately 80% of the costs of elementary and secondary education. Until allocations realistically mirror actual costs, monies from other budget areas will continue to be allocated to fund staffing costs.

In a similar manner, allocations within the funding formula for benefits for teaching and non-teaching staff have remained unchanged while actual costs have risen sharply. In 2000-01, for example, the allocation for salary and benefits increased by 1.95%, while costs for life insurance rose by 8.7% and for extended health benefits by 40%. For some boards, difficulties arise from long-term commitments to gratuities and the increasing rate of retirement. The 12% benefit factor in the funding models falls far short of meeting the costs of these benefits.

Funding for special education continues to be an area of major concern for boards. Almost all Catholic school boards find it necessary to spend more than their current allocation in order to meet the needs of their most challenged students. It has been helpful that funding for high-needs students has remained stable while the provincial comprehensive review continues. We urge the government, however, as part of the budget decisions this year, to permanently adjust special education funding to recognize factors such as inflationary costs and new enrolments. Some boards have now qualified for levels of funding that are higher than the level of stable funding

that now prevails. We urge you to make it possible for such boards to opt for live funding for the 2002-03 school year. To do so would certainly be in keeping with the government's stated commitment to provide each school board with funds based on the board's demonstrated incidence of students with very high needs.

Transportation is an essential element of Catholic education. The government's allocation of an additional \$29.3 million in one-time funding to help boards manage increased transportation costs was appreciated, as was a similar allocation the previous year. Catholic school boards, particularly those experiencing declining enrolment, however, continue to experience difficulty providing necessary transportation services within the current allocation. OCSTA urges the government to proceed as quickly as possible with the implementation of a new and more realistic transportation formula to provide needed dollars to school boards on a permanent basis.

Ms Ervin: OCSTA supports the government's current approach of funding major maintenance projects through the school renewal allocation. Catholic school boards are growing increasingly concerned, however, about their ability to maintain their aging stock of school facilities at even present levels of repair within the current funding allocations. A large proportion of Ontario's schools are now 25 to 50 years old or more and have higher maintenance and facility renewal requirements than newer buildings. Catholic school boards are concerned not only about managing the backlog of deferred maintenance built up over years of underfunding under the old model, but also about the impact that component life cycle degradation will have on the future condition of our schools. Cost factors within the renewal allocation require review and updating now in order to address the life cycle needs of school facilities and avoid much higher replacement costs in the future.

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During this government's mandate, significant reforms have been implemented in several aspects of elementary and secondary education. Some of the government's recent education initiatives mandated through legislation or regulation have carried with them specific costs for school boards. Examples of such initiatives include required new programs and procedures around student suspensions and expulsion, the administration of criminal reference checks for employees, extensive professional assessments and administrative procedures related to special education funding for very-high-needs students, and teacher in-service required to implement new curriculum and assessment programs. In order for these new responsibilities to be fulfilled without disruption or reduction in other necessary services, these new responsibilities assigned to school boards must be accompanied by funding. It is essential that the funding model recognize any additional costs to school boards of new legislative or regulatory requirements at the time they are implemented.

Ontario's new student-focused funding model has now been in place for three full years. We commend the

government for the progress that has been made in realizing the goals and key principles on which it was based. We have come a long way toward realizing the government's commitment to providing equity of educational opportunity for all students in Ontario's elementary and secondary schools. The funding system is also, as hoped, more transparent and accountable to parents and the general public.

At this critical point in the evolution of the funding model, however, OCSTA sees it as essential that government attention now be given to concerns around adequacy. If the quality of education for all students is to be ensured and if the unique needs of some of our most challenged students are to be met, the overall amount of funding for education in Ontario's elementary and secondary schools must be increased to recognize legitimate increases in costs. Such an investment today in the education of our young people is, we believe, a crucial investment in the future strength and success of our province.

Once again, OCSTA thanks you for the opportunity to present this brief to the standing committee on finance and economic affairs.

The Chair: Thank you very much. We have a minute and a half per caucus, and I'll start with Mr Kwinter.

Mr Kwinter: Thank you very much for your presentation.

You're right: you have achieved equity in funding, but you haven't achieved adequacy. Everybody has the same problem, so you have reached that goal of being in the same boat as all of the other schools. We hear this wherever we go. Whether it's Sault Ste Marie or Windsor, they all have the same problems. Whether it be transportation, whether it be funding for staff, whether it be programming, supplies, they all have the same problem, and it goes across all four boards.

My question to you is this: you say that 80% of your funding goes to staff salaries and wages and that isn't adequate so you have to take it out of other programs. How does that impact on your ability to deliver the services that you are mandated to do? How do you work that out?

Ms Ervin: It's a great concern to all our boards, because some of the envelopes are protected and you can't transfer funds from those envelopes into this particular one. So, for example, in the past few years some of the boards have transferred money from textbook funds to be able to fund staffing costs, and the money has also come from other areas. In some boards, some programs have been cut so that the staffing costs can be met.

Mr Christopherson: Thank you for your presentation. I can appreciate your tone is somewhat less harsh than others', given that you don't want to appear ungrateful for certain recent moves. Nonetheless, I agree with Mr Kwinter. Once we start talking adequacy, you're in the same boat, but welcome aboard; there are holes in the boat. And now it's a question of getting the government to recognize that.

I have one technical question. I've been around the Ministry of Finance and finance issues for a lot of years. Live funding? Qu'est-ce que c'est ?

Ms Ervin: Qu'est-ce que c'est ? Live funding means that your funding just moves along with the number of students—

Mr Christopherson: Pay as you go, sort of?

Ms Ervin: As your number of students increases, the funding automatically increases. You don't have to wait for another assessment to be done.

Mr Christopherson: I see. OK, good. I just hadn't come across that term.

You've made the case again, as gently and diplomatically as you have, that there are going to be some real problems. In special education, you're stating almost all Catholic school boards find it necessary to spend more than their current allocation in order to meet the needs of their most challenged students, and in your background paper under the same subject, on page 13, you say that you are concerned that students' future access to the assessments, programs and support they require may in fact be limited by a board's current fiscal inability to provide these same services.

It's the same thing we're hearing on the public side; it's just put a little gentler. But the reality is there are kids out there with special needs and, on the public side of things, there are kids who are at home who can't be in the classroom because there aren't enough educational assistants. I'm hearing a similar sort of situation here.

Is there indeed the possibility that children who have needs will not see those needs met as a result of the current funding formula?

Ms Ervin: I'm not aware of any boards in the Catholic schools that are refusing services to our special-needs students. What it does, however, is that the students are coming to school but the ability of staff is just stretched to the limit to provide services to those children. And the parents are concerned that their children are not being served as well as they could if the money were there, if this live funding were there to provide the services that these students really deserve.

Mr Hardeman: Thank you very much for your presentation. We appreciate it, and I agree with Mr Kwinter when he suggested that this new funding formula and the reforms in education in fact did provide fair funding for all four systems that we have in the province. When it was put in place, most of the calls I got in my constituency office were from people from one of the other systems complaining that it was too much of an advantage to one system, and that happens to be the one that you represent. That tells me that we had hit some fairness there, that they were finally getting what everyone was entitled to.

I wanted to go a little bit to the actual funding formula. In your presentation you say the quantity of the funding, as opposed to the quality, has to be based on your expenditures. But if you do that by, first of all, suggesting that the overall wage settlement should stay below 2%, the board then negotiates a contract that takes it to 3.5%,

and if you use that assumption then that the funding formula should pay it up to 3.5%, what incentive is there for any board to stay within spending limits? If we know we're going to get the money to pay it anyway, why would we be concerned about the cost of education escalating, which it had been doing for quite a few years? My property taxpayers had been complaining about it or their property taxes, that it didn't seem to matter to school trustees; they just used the money they needed and sent the bill to the property taxpayer.

How would we curtail that if we were not curtailing it by limiting the amount of money going into the system?

Ms Ervin: I'll defer that question to Mr Whitehead. He likes that area.

Dr Whitehead: The difficulty is one of not being able to plan ahead of time. That is the fundamental difficulty, and it's going to be even worse as we're forced into multi-year agreements. Many boards, for instance, had salary settlements for 2001-02 based on an anticipated 1.95% increase. Well, that didn't materialize, yet that's what we had received the year before and there were certainly hints from the ministry that that's what we would receive again in the future.

Our grants are not announced, in some cases, until long after salary settlements are reached, especially when salary settlements take the form of multi-year agreements, which is frequently the case—you know, part of the year has already gone by so you settle for this year and the next year. In the future we're going to be asked to do that over three years. So if the government wishes that there be a better correspondence between salary agreements reached and what the government is going to provide for that funding, it's important that notice of that be given in time so that there is an opportunity to have salary settlements reflect that reality rather than leaving the boards to guess what the future reality might be.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

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ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair: Our next presentation is from the Ontario Public Service Employees Union. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome.

Ms Leah Casselman: Good afternoon. Thank you very much for the opportunity to speak to you today. My name is Leah Casselman, and for almost seven years now I have been the president of the Ontario Public Service Employees Union.

In some ways the work of a union is similar to that of a government and, like the Premier and the cabinet, I and my executive board are chosen to manage the budget when we win democratic elections. So far I have won four, to the Premier's two.

Like government, a union is responsible for providing services to people. We negotiate and enforce legal con-

tracts, manage pensions and benefit funds, train people, and advocate publicly for the interests of our members. To pay for these services, we collect money from our members, just as the government collects taxes from Ontarians.

Over the last seven years, I have been accountable for an annual budget of about \$50 million, and I am very familiar with the budgeting process, let me tell you. Building a budget is about setting priorities. It involves, first of all, deciding the things that you must do and then deciding the things that would be good to do if you were able to do them.

Second, it involves ensuring that your revenues are adequate to provide the services you have decided to provide. There are two ways to do this. One is to make sure that you are spending your money wisely; the other is to make sure that you actually have enough money.

I would like to comment here today on the way the Minister of Finance seems to be going about the budgeting process, and I base my remarks on his comments in front of this committee on February 27 as well as comments he has made over the last year.

Jim Flaherty is, first of all, making huge mistakes in determining what are high-priority items and what are low-priority items. Second, he is planning to continue many of the wasteful and inefficient practices of his government. Third, he is making poor-quality assumptions about both the current economic climate and the options available for government revenue.

I would like to comment on each of these three items. First, priorities: here last week, Mr Flaherty made virtually no mention of the services that government must provide, or that government should provide. This is very telling. Apparently, public services are not a priority for him. They are, however, a priority for the Ontario public. Recognizing this, because he does, after all, want to be Premier, Jim Flaherty has at other times set out his spending priorities. As described on his Web site, these priorities are schools, hospitals, the environment, and caring for the vulnerable. Of course, he has offered few details except for his plan to put the homeless in jail. If you know anything about jail, which Mr Flaherty clearly doesn't, this is an impressively stupid idea.

It's not a crime to be poor. It is not a crime to be homeless. Our jails are overcrowded as it is. In most of them, there's no programming to speak of. Correctional officers can get tuberculosis simply by going to work. Armed robbers are getting extra time knocked off their sentences because conditions inside are so horrendous. The idea of putting homeless people behind bars is absolutely unreal.

Jim Flaherty says he wants to cut what he calls non-priority spending. Again, he won't give details, but it's fair to assume that everything that's not a priority is a non-priority. So let's take a look at some of his non-priorities.

Right now, today, Ontario's stressed-out probation and parole officers have the highest caseloads of any in Canada. Seven hundred people are supposed to keep tabs

on over 70,000 convicted offenders serving sentences in our communities. On average, they only have time to meet for 30 minutes a month with sex offenders—and sex offenders get more attention. Our officers have 15 minutes a month for other offenders, sometimes only two minutes. But is Jim Flaherty talking about this? Is he talking about increasing the number of probation and parole officers and support staff to keep our communities safe? No, he's not. To him, it's a non-priority.

Look at food safety. Ontario used to have 150 permanent provincial meat inspectors. Now there are eight. Ontario used to have 20 provincial fruit and vegetable inspectors. Now there is zero. In November the provincial auditor said, "Food safety deficiencies that are defined as critical by the ministry and could pose risks to human health are noted during annual licensing audits of abattoirs.... Such deficiencies include unsanitary food contact surfaces, rusty equipment, and the transportation of meat in non-refrigerated vehicles.... Newer testing methods allow bacterial, chemical and other hazards to be detected easily and quickly. However, the Ministry did not have a process in place to randomly test meat from abattoirs for evidence of these hazards...." That's pretty shocking stuff. But is Jim Flaherty talking about food safety? No, he's not. To him, it's a non-priority.

In the Ministry of Labour, the full complement of occupational health and safety inspectors is supposed to be about 280. We're about 40 short, and we've been about 40 short for a long time. These people do important work. Their job is to stop people from getting killed on the job or having their arms ripped off or getting occupational diseases. But because of this government, thousands of workplaces are being ignored. Is this costing lives? Yes, it is, and those lives are a non-priority to Jim Flaherty.

In November, the Provincial Auditor again called the Ministry of Transportation on the carpet for mismanaging highway safety. Is Flaherty talking about this? No, he's not.

This brings me to my second main point: instead of talking about improving services, Jim Flaherty is talking about wasting more money through the magic of privatization. It's right there on his campaign Web site. It says, "I am committed to privatization in order to provide a more efficient government." The only proper response to this is, "Huh?"

Since 1995, privatization has been the most dangerous policy of any provincial government in Ontario history. In many cases, as the Provincial Auditor reported in November, private operators are charging the government two, three or more times what it would cost to have accountable public employees do the same work.

In the Andersen Consulting fiasco, the Ministry of Community and Social Services paid the project manager—oh good, you're sitting down—\$575 an hour to manage a computer system that still does not work. The Provincial Auditor said public service employees could have done the \$200-million project for wages one sixth of what Andersen charged. Andersen employees

billed the government an average of \$24,000 each for personal expenses without receipts. This is supposed to be efficient? God, I'd hate to see what inefficient looks like.

The auditor said that highway maintenance costs more when performed by the private sector in three out of four cases he looked at. When the Ministry of Health privatized our air ambulance system, they paid out over \$2 million in severance to critical care flight paramedics just to have the same critical care flight paramedics come back to work at the same job for the private operator. Our air ambulance system now costs more than ever, with no improvement in service. That's Jim Flaherty's idea of efficiency. It's a joke. It's not a funny joke, but it's a joke.

A budget that's built around privatization is a budget that's built around waste. The only way that privatization is efficient is as a method of transferring taxpayers' dollars into the pockets of private business people. Meanwhile, Flaherty says he can't afford the services Ontarians need. Jim Flaherty is like the guy who spends all day in the bar buying drinks for his buddies but won't put food on the table for his kids.

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This brings me to my third point: revenue. Government revenues this year will be over 20% higher, in real terms, than they were in 1995. Even without the \$12 billion in annual revenue that you've blown out the window on tax cuts, this government is richer than any other government in Ontario history, and yet Jim Flaherty is crying poor. In his speech here last week, Flaherty said that private sector economists were predicting an average rate of real GDP growth of 1.3% for the year 2002. I don't know who these forecasters are. Perhaps they are forecasters like the Canadian Imperial Bank of Commerce, which announced in November that the Canadian economy was in recession. As we now know, there was no recession. But even when CIBC was saying there was, they were still predicting growth of 1.7% for 2002.

I can't afford private sector economists, so I'll stick with the public sector ones. In the United States, Alan Greenspan, head of the Federal Reserve, has endorsed a prediction of 2.5% to 3% economic growth in 2002. As you know, the downturn in the US has been worse than it has been here. In Canada, David Dodge, governor of the Bank of Canada, has predicted growth of 1% to 2% in the first half of 2002 and 3% to 4% in the second half. Even Dodge's predictions may be too low. Growth in the last quarter of 2001 was 0.5%, or an annual rate of 2%. Bear in mind that the budget you are making is not for 2002; it is for fiscal 2002, which includes the first quarter of 2003. And in 2003, as you know, even Jim Flaherty is predicting real GDP growth of 4.4%.

Looking at these numbers, a strong case can be made for a forecast of over 3% growth for fiscal 2002-03. In 1996, then-Finance Minister Ernie Eves referred to numbers lower than that as "steady, solid growth." Flaherty's prediction of 1.3% is a deliberate lowballing designed to provide a rationale for his real agenda: cuts

and privatization to transfer public dollars into private hands.

Flaherty has bragged about balancing the budget in 2001-02. We should all be asking: if we could have a balanced budget in 2001-02 with 1% economic growth, how can we be short several billion dollars in 2002-03 when economic growth is going to be much higher? There is only one answer to this: "There's a hole in the bucket, dear Liza." Somebody is still buying drinks at the bar when they should be thinking about groceries.

For example, Jim Flaherty's pet project, the tax credit for parents with children in private schools, will cost at least \$300 million a year and possibly as much as \$700 million once it is fully implemented. By supporting the public services I mentioned earlier, Ontarians get a stronger public service. By supporting private schools, we get a weaker public school system. Who would vote for that if they had a choice?

Then there's the \$2.2-billion corporate tax cut. Why are we draining the public purse when Canada is the cheapest place to do business of all the G7 nations, according to KPMG Consulting? It's pure right-wing ideology. It is not based on common sense.

You may be surprised to hear me say this, but I actually agree with Jim Flaherty on something. We both agree that there is a crisis in Ontario, but I'm telling you now that it's not a financial crisis. It is a crisis in public services. To keep it short and sweet, I'm going to talk today about the Ontario public service specifically. At last count, the OPSEU bargaining unit in the Ontario public service had been reduced by over 23,400 employees. That is a reduction of one-third. Workloads are up, stress is up, frustration is up. The story of today's public service is the story of a system that has broken down.

If we had 100 provincial auditors or if an inquiry like the Walkerton inquiry were held in every ministry, it would reveal that the same policies that undercut the Ministry of the Environment are at work in every Ontario government ministry. The process we call Walkertonization is a process of mismanagement. It involves selling off services; wiping out rules; axing jobs; reducing job security, job quality and wages for public employees while increasing workloads, frustration and stress; creating confusion, not leadership; and destroying employee morale.

Walkertonization creates a mismanaged, fragmented patchwork public service. In its current state, the Ontario public service can no longer adequately protect public health and safety, let alone the public interest. It's time we did something about it.

After six and a half years of cuts, layoffs and privatization, it is now clear that we as Ontarians have no choice: we must rebuild the Ontario public service. That is what you should be thinking about in your budget deliberations. The foundation of the public service is people. If we want public safety, value for money and a professional, accountable, open public service, you have to start by supporting the people on the front lines.

After the September 11 attacks, air security experts asked, "Can we really expect safe airports with security guards paid \$6 and turnover rates of up to 200% per year?" Not surprisingly, their answer was no, and the US government made major changes in airport security.

A little closer to home, Justice Dennis O'Connor reported on January 18 that a Ministry of Environment "human resources plan in 2000-01 reported that the MOE has difficulties attracting and retaining skilled personnel in a number of areas."

There is a direct relationship between the quality of the public services Ontarians receive and the wages and working conditions of public employees. Laboratory technologists at our Resources Road lab in Etobicoke worked day and night during the Walkerton disaster. They were public service heroes, yet their pay is between 17% and 20% less than that paid for the same job at a community hospital. That's just one example. Our nurses, pharmacists, tradespeople and workers in close to 100 occupations all face the same problem.

How can the government expect to hang on to skilled, experienced people? How can the government expect to recruit enthusiastic new ones? The answer is, it can't.

Take a look at the 25 junior environmental officers who have been hired to inspect water plants. All of them are temporary contract staff. Is the government saying that water quality is a temporary problem? It certainly looks that way.

We now have 26% of our members on contract, with no benefits, no pension plan and no job security. Not surprisingly, many of them leave when they find out that the contract job is not a foot in the door but a slap in the face. It shouldn't be that way. Public service is not just a job, it's a calling. When people have stable careers in the public service, they develop expertise and experience. They learn to live by a set of guiding principles on how to operate in the public interest. Senior workers pass their knowledge on to junior workers. More than that, they pass on the fact that they care about protecting the public interest. They pass on the fact that they are committed to protecting public safety, taking care of the public's money and ensuring democratic accountability.

That is the way the public service should work. But today, OPSEU members in the Ontario public service are overworked, stressed and demoralized. Their wages are low. They have little job security. Staff turnover has never been higher. Staff recruitment has never been harder.

Those who remain on the job are forced to watch the looting of the public service by every junior Enron with a PC Party card. With these kinds of decisions going on, we shouldn't be surprised that OPSEU members are wondering, "How is it that we can afford a 36.6% pay raise for MPPs but we can't afford to support the people on the front lines who deliver public services?" Thank you.

The Chair: With that, you've used your entire time. On behalf of the committee, thank you very much for your presentation this afternoon.

Ms Casselman: Thank you very much. It's a privilege to be here.

1600

CANADIAN BANKERS ASSOCIATION

The Chair: Our next presentation will be from the Canadian Bankers Association. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome.

Mr Al Wheable: Thank you for providing the Canadian Bankers Association the opportunity to participate in the pre-budget consultation process. My name is Al Wheable. I'm vice-president, taxation, of the TD Bank Financial Group and chair of the CBA's taxation specialists group. I'm here with one of the CBA's Ontario committee members, Bob Bissett, who is senior vice-president, Toronto core, personal and commercial client group, for the Bank of Montreal; and with two members from the CBA organization: Kelly Shaughnessy, vice-president, banking operations, CBA, and Michael Green, who is director of provincial and community affairs.

Perhaps before I get into our specific recommendations for the 2002 budget—and we've tried to keep those short—it would be useful to take a minute to briefly outline for committee members how the banking industry is integrated into Ontario's economy and Ontario's communities.

Canada's banking industry is a strategic industry for Ontario and one that contributes significantly to provincial economic development. Canada's banks take very seriously our commitment to Ontario and its communities. We have a formidable presence and provide economic strength and vitality to nearly every part of the province.

As the financial services centre not only of Ontario but also of Canada, the banks and their subsidiaries are one of the country's largest employers, with over 235,000 staff located in Canada, of which 126,000 bank employees reside in Ontario. In fact, almost \$21 billion in GDP and 320,000 jobs in the greater Toronto area depend directly or indirectly on financial services. Compare this to the auto industry in Ontario, which directly employs 195,000 people. In this regard, we have a strong interest in ensuring that Ontario's economy continues to be competitive.

The banks have over 3,500 branches and over 7,600 ABMs in Ontario, in almost every community across the province.

But our impact on the economy is much more than our physical presence. Ontario's banks provide crucial financing and credit to Ontarians and Ontario businesses which has spinoff effects throughout the economy. When we advance a mortgage, it allows an Ontario family to invest in a new home, which in turn provides new capital for and work in the housing construction industry, the retail industry and others. At the end of last year, banks had over \$141 billion outstanding in residential mortgages in Ontario and more than \$62 billion in personal loans.

Ontario's banks are also the leading source of credit provided to Ontario companies, totalling more than \$101 billion last year. Ontario's banks also made over \$18 billion in financing available to over 329,000 small and medium-sized Ontario businesses last year. This type of financing not only supports our customers, but changes hands and fuels growth and job creation in almost every industry in the province.

But our impact in communities goes beyond jobs, bricks and mortar and financing. We also support hundreds of local community charitable and non-profit organizations, giving over \$50 million to Ontario charities from across the province last year. In 2000, the six largest banks invested \$3.2 billion in technology in Canada, outsourcing a significant amount and thereby directly benefiting other sectors in the economy. The shares of Canadian banks are significant holdings, direct and indirect, in the investments of Canadians and Ontarians.

Finally, the six largest banks paid over \$1.4 billion in total taxes in Ontario in 2000; over \$231 million in capital taxes alone. This is significant when you consider that even though 46% of the largest banks' total earnings are generated from outside of Canada, 78% of all taxes are paid in Canada and, probably most importantly, 90% of the bank jobs are here.

I concluded our contribution list with taxes on purpose, because the CBA and its members feel that this is an area that needs further reform. We are pleased that the Ontario government has recognized that the business tax system is a critical component to ensuring that Ontario remains competitive internationally. Ontario's reduction of the provincial debt and the elimination of the deficit, combined with the lowering of personal and corporate income taxes, gives Ontario a good start.

In fact, these changes, together with those at the federal level and in other provinces, make the case for reform even more urgent. For years, taxation was one area where Ontario was not competitive, at least for service industries in general and the financial services sector in particular. Now there is a real prospect that Ontario can be competitive on the tax front and leverage its other advantages to obtain investments and jobs.

However, capital taxes remain the biggest impediment to business investment. Canada is the only major economy in the world to levy annual capital taxes, and since 81% of all capital taxes paid by the banks are paid at the provincial level, it is clear that the provinces have the biggest role to play. Capital taxes are problematic from a number of perspectives. Unlike corporate income taxes, which are related to profitability, capital taxes are not based on earnings and therefore are payable whether a company is profitable or not. It taxes investments, including information technology, which inhibits growth. Capital taxes are particularly punitive to financial institutions, which are required by regulation to maintain high capital levels to support the safety and stability of the financial system, and then are taxed on this regulated capital base.

That is why the CBA is pleased with the 2001 Ontario budget commitment to eliminate capital tax for both general corporations and financial institutions. The commitment to eliminate the capital tax in Ontario is particularly important because the financial services sector as a whole bears a disproportionate tax burden relative to GDP, to international competitors and to the general corporate sector.

Canada's banks recognize that businesses must pay taxes. We accept this as a requirement for doing business in Canada. However, the current provincial capital tax regime in Ontario, which taxes financial institutions at a higher rate than general corporations, leaves the banking industry poorly positioned to meet the challenges of increasing domestic and international competition, competition that will become particularly intense now that the federal government has implemented financial services reform legislation.

Financial capital today is more mobile than ever before. Regulatory reform, globalization of financial markets, and advances in computing and communications technologies have made it possible for financial services to be delivered from any cost-effective location. In order to remain competitive, Canada's banks are seeking out investment locations to enhance their future growth. Alberta, for example, has completely eliminated all capital taxes and will have a corporate income tax rate of 8% by 2004. Alberta is increasingly seen as the most cost-effective location for new business investment or to relocate back-office operations.

While we are pleased with the 2001 Ontario budget commitment to eliminate the capital tax, Ontario-based banks are making investment decisions now. For business planning purposes, banks need certainty. While we recognize the fiscal constraints the government is working within, Ontario needs to provide the business community with a clear sense of the timing of its commitment to eliminate the capital tax.

Financial services has probably the highest concentration of senior decision-makers of any sector resident in Ontario. Ontario does not have to fight its way on to the radar screen for consideration when investments are to be made by this sector. The opportunity for growth is there if Ontario can provide a level playing field for its second most important industry. The CBA therefore makes the following recommendations to ensure business tax competitiveness and continued economic development in Ontario.

First of all, eliminate the discrimination in the capital tax policy in Ontario to ensure parity within the business sector by levelling the capital tax rates applied to financial institutions, which now range from 0.6% to, more generally, 0.9%, credit unions, which don't pay any, and the general corporate sector at 0.3%. Then build on the commitment made in the 2001 Ontario budget by legislating a firm schedule for the complete elimination of all capital taxes in Ontario.

Mr Chairman and committee members, thank you again for providing the CBA with the opportunity to meet

with you today. We'd be pleased to answer any questions you may have.

The Acting Chair: Thank you very much for your presentation. We have approximately two and a half minutes per caucus. We'll start with the New Democrats.

Mr Christopherson: Thank you, gentlemen, for your presentation. I note that the six largest banks paid over \$1.4 billion in total taxes in Ontario in 2000. Correct?

Mr Wheable: That's correct.

Mr Christopherson: What was the after-tax profit of those six banks in the same year?

Mr Kelly Shaughnessy: We would have to get that information for you, but may I remind the committee that the profits of the banks are global profits, not only the profits based in Ontario. So with your permission, Mr Chair, we'll send you the number for the six largest banks, but that will be a global number.

Mr Christopherson: OK. I'm going by memory now, but I think that figure for that year was around \$4 billion or \$5 billion.

Mr Shaughnessy: Once again, I'd prefer to get that for you.

1610

Mr Christopherson: Fair enough, but I don't think that's too far of an exaggeration. I point that out for the obvious reason. It's good to note your contribution to the tax base for services. Absolutely. It's there and that's why I repeated it. I don't want to be unfair. But in the interest of fairness also, let's remember we're talking about, overall, an industry that makes \$4 billion to \$5 billion in after-tax profits. I've got to tell you right up front that I think it takes an awful lot of gall when you're still making that kind of money, given the pressures that exist in this province, and the only two recommendations you have are for more.

I don't have a problem with you coming in as a self-interest group. There's nothing wrong with that. But being such huge players, and given the significance of the role that banks play, I would have thought you'd have felt a little more of an obligation, given the money that your businesses make in our economy, to be recommending something beyond, "Give us more."

Mr Wheable: Could I just respond to that one?

Mr Christopherson: Sure.

Mr Wheable: Our recommendation came in directly on the capital tax. It is certainly our view that the capital tax costs a lot of jobs in this province. It costs a lot of economic activity. We currently have a corporate tax proposal on the table that is aiming at approximately 30%, which I think is also where OECD corporate tax rates are going.

This costs Ontario a lot of jobs. We're not actually coming in, if you look at the recommendation, asking for the elimination of it now. We're asking for a clear schedule so that investment decisions that will generate jobs and income for this province are made. So we believe this is in the interests of the province. We understand that there are many people who don't want to give

things to the banks. We're asking you to give it to Ontarians.

Mr Christopherson: Also, you note that you've got 126,000 bank employees. I assume they're not all vice-presidents, so some of them, quite frankly, are going to be among the group of people whom we heard representation on behalf of who have been waiting for years to get their kids assessments for mental health services. Those are the same people. Again, I don't want to be off the deep end here. It's not that you came in recommending—

Interjections.

Mr Christopherson: I realize the Tories are snickering over that. I don't have a problem with you coming in and recommending things that are good for your industry, and if there are spinoffs to the rest of the economy, great. Everybody can make that. What I have a problem with is, there's absolutely no recommendation at all that deals with anything else. Nothing. You've got nothing to say about the health care system, nothing to say about education, nothing to say about environmental protection? Not a word?

Interjections.

Mr Christopherson: They're big boys. I'm ready to listen. Go ahead.

The Acting Chair: The time for the New Democrats has expired. We'll hear from the other party.

Mr O'Toole: I won't try to be quite as vociferous and—

Mr Christopherson: —that pucker-up we've seen all day.

Mr O'Toole: As a small investor in Ontario, I have a few small shares.

Interjections.

The Acting Chair: Order.

Mr O'Toole: I think there actually are shareholder issues here for people who are hard-working, tax-paying and trying to plan for their own retirement type of people like I am.

I just want to say that your message technically isn't, I don't think, bad advice for the government. I heard yesterday from Don Drummond and David Penney from a group called the Coalition for the Elimination of Capital Taxes, and they reinforced what you've presented here on the capital tax argument. It's profit-insensitive. It discourages investment. You need longer horizon lines to make the kinds of commitments to grow not just your own business and profitability, but also jobs in our economy. That's what I see in my own community, and the banks are always there to support charitable activities, and I would encourage that to be ongoing.

To be competitive is the other part. The corporate tax thing, the capital tax—the government hasn't laid out a schedule, but it has taken the first steps and I would hope to see in the budget some strengthening, despite the tough challenges that lie ahead, specifically this year. The corporate tax: right now Ontario has a schedule there. The federal government is 22.12% and the prov-

ince is 8%. I think we have to be competitive and that's important.

Mr Drummond raised a question yesterday. He was saying we're going to have a shortfall this year of roughly \$4 billion—somewhere from \$3 billion to \$5 billion. These are times of difficult decisions, and Mr Christopherson makes the point. The pressure we hear from every delegation is "more money." Health care is about \$5 billion, and education varies from \$2 billion to \$2.5 billion. Long-term care is about \$1.5 billion—it's staggering. Stack that on top of the deficit. What advice could you give us? Should we continue to be competitive, to grow the economy, look at the short-term? How would you handle the short-term problem, the dip, the curve, the U, the V, whatever it is?

Mr Wheable: We certainly recognize the financial strains that the government or anyone building the budget would be under. What we're saying is that the capital tax goes to long-term decision-making. What you need to do is put a schedule out, probably another five-year schedule; it may start next year. It's not necessarily an immediate cash outlay that's necessary to help the economy grow. It is a commitment to basically have a competitive tax system with the OECD standards, which in our view is about 30%, which as you indicated, if you add the federal reductions and the provincial ones, comes to Ontario at a 30.12% corporate tax rate. However, for instance, the federal government estimates that the overall capital tax—and financial institutions pay a higher percentage—adds about 4% to that rate.

So to help people make decisions, to put them in their investment models, which is how jobs get created, people should be on record—"This is the time frame you can build this in"—but I don't think it's probably appropriate for you to spend any significant number of it in the current budget.

The Acting Chair: For the Liberals, Mr Phillips.

Mr Phillips: I appreciate that you're an important sector of our economy, and it's important that we have that strong financial services industry.

Just on your recommendation on the capital tax, we do face in the short and, I think, in the medium term and maybe the long term, significant fiscal problems, without a doubt. Right now, the government has determined that corporate income taxes in the province of Ontario are going to be about 25% lower than our major competitors. If you look at all the budget work we do now, we benchmark against the neighbouring states—that's where it all is—and we're going to be 25% lower than the neighbouring states. It's a matter of priorities. That's a fair bit of forgone revenue; the government indicated last year about \$2.2 billion of forgone revenue to do that.

Would you put the elimination of the capital tax as a higher priority than getting corporate income taxes 25% lower, and would your advice to us be, "Listen, this is a profit-insensitive tax. Far more important for long-term investment, Ontario would be better off to not cut corporate taxes 25% lower but take a portion of that and fix the capital tax"?

Mr Wheable: We believe capital tax is about the worst tax that you have. I think all the economic work shows the multiplier effect of capital tax is just enormous—the impact on investment, jobs, revenues, whatever—and I think over time it in fact is a cut that doesn't cost you funds.

But let me just correct a comment. We've seen frequently that, if you forgive the phrase, this is compared to the rust belt states. That is not in fact what Ontario is being competitive with. The proposal to get to 30.12% is not 25% less than the international standards. It may well be for where you place an auto parts plant but it is not—I mean, the UK is 30%, Australia is 30%, the US federal one is 35%, so there are a number of locations. Obviously, if you put it in New York City, you're going to pay 45%. There's a number of other ones, but I've always doubted, frankly, that the use of those states is the comparison for the kind of economy that Ontario wants to build, as compared to some very specific hard-manufacturing sites.

Mr Phillips: I'm just going by what the government—

Mr Wheable: I'm not disputing your quote. I just challenge—

Mr Phillips: It's not my quote. The government said, "This is why we're doing it."

The Acting Chair: Thank you very much. The time has expired. We thank you all for your presentation and we appreciate you taking the time to do that.

1620

TORONTO CATHOLIC DISTRICT SCHOOL BOARD

The Acting Chair: The next delegation is the Toronto Catholic District School Board, if they would come forward. Thank you very much for being here with us this afternoon, and taking the time to come and present for the committee. Please start by introducing yourself.

Mr Joseph Carnevale: My name is Joseph Carnevale. I am the chair of the Toronto Catholic District School Board. Thank you very much for the opportunity to be here today and to present some of the issues which are of importance to our board as they relate to the budget consultation for 2002-03.

I will try to keep my remarks brief—no guarantee of that—but I know it cuts into my time anyway. I'll touch on five points: the education funding model; school facilities issues; small schools and unique needs due to urban location and history; special urban needs; and funding for teaching groups and three-year agreements.

Education funding model positives: the model as it currently exists has many good features, including the creation of new grant and expenditure categories which provide an enveloping system that improves accountability for funds spent in our schools and for our students. I applaud the government for changing it because, to be quite honest with you, it is a more equitable system. It provides a fair level of funding for all the school boards

and for education across the province. It provides for equity. TCDSB has no desire to return to the old system of taxation based on school support and assessment, since that was an inequitable system.

As with any new initiative, there is always room to make improvements and adjustments. In the case of the education funding model, changes would be beneficial in the areas of capital grants, special education and English as a second language.

Aging and prohibitive-repair-cost schools: TCDSB has 87 schools which are deemed to be prohibitive to repair. Essentially, it's cheaper, or just about the same cost, to repair a school than it would be to build a brand new one, since we need the Ministry of Education to approve what we call the prohibitive-repair-cost criteria. This spells out the concerns and some of the criteria, such as unique construction needs: parking facilities with limited space, costs of demolition, space for playgrounds. This is one area that we need additional funding for, that Toronto has a special need for.

The additional part specific to prohibitive repair deals with the fact that over a 50-, 60-, 70-year period—that was deemed to be the life of those schools, basically. The ministry says, "We'll fund the creation of a new school." We get the grants. We build the school. We do all we can to repair the schools, but over time, there's nothing else you can do to it. When you get to a point that it's cheaper to build a brand new school than it is to repair that facility, I think not only do the taxpayers of Ontario deserve what's economically feasible and what is in the best interests of the taxpayer, but also what's in the best interests of the students, which is why we're here today.

Small schools: TCDSB has shown leadership in meeting the requirements of the provincial funding model by closing 21 schools over the past three years in order to procure added funding to address our building needs and to match our costs to the grants provided. This creates huge disruptions for students and parents, often dividing neighbourhoods and parishes. As chair of the board, it hasn't been easy. It's a difficult decision. It's been suggested by the minister and by the government that our board is responsible in its actions, that we're reasonable and we do what needs to be done. It's also important to remember I'm here today to discuss the situation that has arisen, which is that in many areas we just don't have the additional funds needed to provide the best education possible. That's why I'm here.

The other issue with small schools is that they remain vital to our local communities. When we close a school, we have disruptions. We have people going to new areas, not familiar with them. Kids, obviously, face the disruption and are not comfortable with that, and neither are parents. In many areas, the ministry would not permit larger Catholic schools to be built in Toronto. They said, "You have localized communities," because we're a Catholic board in Toronto, "and therefore if you create a large school, we might have empty spaces." Over decades various governments told us, "Don't build large schools," so we built schools that were relatively small

for the community. Now we're told they're not large enough. Our problem is, historically we don't have the facilities that could accommodate the needs, based on the present funding formula.

What we need from the government and from this committee: specifically, the grant formula should be modified to provide full funding to retain a full-time school principal and a full-time school librarian in schools with enrolment of less than 250 children. As you know, and you were told earlier today, 364 kids is what generates a full-time principal. We have 59 elementary schools with less than 250 pupils, so we're at a major disadvantage.

Special-needs students: Toronto attracts a large number of students with special needs. The funding allotted for special education is not sufficient to provide for the specialized staff, programs and materials necessary to meet the needs of these students. We have suffered from a historical lack of funding. The 1997 amounts boards received were used as the baseline for future special education funding. The result: we continue to spend \$10 million a year more on special education than we receive through grants.

The TCDSB and the Toronto district serve the same demographic populations, with the same single-parent families, ESL, learning disorders and poverty issues faced by many students. Toronto remains a magnet for children with severe disabilities and needs because of the hospitals and resources available in the city. We have 33% of the students from a similar demographic group as Toronto district; however, we receive 18% of the funding allocation for special education. As a result, we find ourselves disadvantaged to the tune of \$18 million a year when you compare it to our public school board, and that gap remains today. We tried our best to narrow that gap, but in trying to do that and spending \$10 million a year more, we obviously take the money out of other envelopes to try to accommodate that, and ultimately it affects all the children in our system.

In the short term, there needs to be an immediate infusion of an additional \$18 million in special education funds over and above the ISA-generated funding and other grants for high-needs students to address the current TCDSB shortfalls. In the longer term, a special education work group needs to be established by the ministry to make recommendations to ensure that the funding model adequately meets the needs of all special needs students across the province.

English as a second language and socio-economic factors: the city of Toronto has a highly diverse population, with large numbers of families whose first language is not English, and our schools are expected to provide the necessary supports to ensure that students are able to achieve a high level of literacy. The minister's own Education Improvement Commission in January 2000 indicated that the level of learning opportunities funding that both the TCDSB and TDSB receive is insufficient to meet the high degree of need that exists in Toronto.

The literacy improvement funds allocated by the government have helped a great deal but, as our EQAO

results show, we need to do more. We have the programs that work, but we need additional funding to expand them.

TCDSB continues to face an extraordinary combination of challenges in bringing to a state of readiness students who require special programs funded in part through the learning opportunities grant. Investing in the success of such students saves taxpayer dollars in the long run and benefits the province as a whole.

What do we need: the province should enrich the learning opportunities grant and re-examine the factors used to determine need and level of support under this grant, particularly as it relates to the unique needs and high costs of educating needy students in Toronto, including the need to greatly improve literacy levels.

Funding forecasts and teacher collective agreements: the provincial government now requires school boards to negotiate three-year agreements with their teaching staff. Yet the government does not provide school boards with the corresponding three-year grant projections it needs to properly negotiate the required agreements. In effect, we are forced to negotiate agreements with our staff without knowing how much money we'll have available to pay those salaries and benefits in the future.

This committee should consider recommending that a rolling three-year forecast of the grants, or the three-year percentage increases which will be available to cover inflation, CPI increases etc, be made available to school boards in order to provide them with the information required to negotiate the mandatory three-year contracts with teaching groups.

At this point, I'd like to sincerely thank the committee members for taking the time to hear some of the matters which are important to the Toronto Catholic District School Board now and in the future.

To recap, the education funding model has provided many positives; it just needs some fine-tuning. School facilities are in many ways unique in Toronto due to age, historical circumstances in their development and the special requirements of location in a large urban centre with limited space. Small schools are a reality of TCDSB history and we have shown leadership in closing 21 schools, but their unique costs should still be recognized. The number and needs of special-education students are greater than normal in the Toronto environment, and this should be recognized in the grant structure. Finally, teachers' collective agreements must now be three years in length, and we need the three-year projection of grants we will receive in order to bargain effectively. Thank you.

The Chair: Thank you very much. We have two and a half minutes per caucus, and I'll start with Mr O'Toole.

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Mr O'Toole: Thank you very much for your tone. We've heard three presentations today, affecting basically the Catholic School Trustees' Association. There has been a recognition of the equity, and quantity is the other question that remains. Given that 80% of your budget is wages and benefits, we understand there are pressures.

The three-year thing, if you put it on the table, they will say, "Now we've got three each year,"—or 1.9 or whatever it is—"and the next step is five." I hear you. Stable funding is good on the operational side, the capital side. There are some choices that you've made, the 21 schools. I hear you very clearly on that.

Do you have any new ideas? For instance, there are a lot of resources, whether it's ESL, whatever, that aren't—I'm a former Catholic trustee myself. But I'm trying to find a way of breaking outside the box a bit here. What I'm asking you is, is there any way the public and separate boards could work more effectively together without getting into Catholic versus Protestant, the 200-year-old argument? We can use it as a decoy or you can move forward. You're young, you're creative, you're not trying to be in the box, otherwise you would have appeared alongside the other group. How can we move forward? There are some resources: speech and language, ESL. Tell me something I haven't heard over the last seven years.

Mr Carnevale: Thank you for the question. Working together in broader terms, there are some things we've been promoting and are performing with the Toronto District School Board. One thing is that we're enhancing and coordinating the transportation—

Mr O'Toole: How about schools in the same building?

Mr Carnevale: Actually, that's a good point. In our new schools, we actually pioneered—

Interjection.

Mr Carnevale: Thank you. We actually pioneered the whole concept of having a Catholic elementary school, a public elementary school and a community centre all combined.

Mr O'Toole: Excellent.

Mr Carnevale: We've already sat down with the city of Toronto. We have conveyed to them our interest in moving forward on any other joint ventures. We've done the same thing with the Toronto District School Board. I think we can all agree that sharing that space and bringing those resources together is what's in the best interests of our taxpayers.

Mr Phillips: In my area, you built a fine high school in conjunction with the then city of Scarborough, with a community centre attached. So you've already done some; Mr O'Toole may not have heard that.

Mr O'Toole: It's good to have it on the record.

Mr Phillips: The \$10 million in extra spending for special education students is a theme we've heard from virtually every school board, that they have to find money from elsewhere in their budget to supplement the special education needs. It's significant across the province. Where do you actually find the \$10 million? There are areas that theoretically the funding formula is providing for, but presumably you have to take the money out of some other part of your budget to fund the \$10 million.

Mr Carnevale: That's correct.

Mr Phillips: What are the areas where you found the \$10 million?

Mr Carnevale: Without giving you a cent-by-cent analysis—I don't have that in front of me—what I can tell you is that we generally go back at budget time and look at all the other envelopes, and ultimately it means, whether or not you have a special-needs child in the system, you're going to feel the effects of not getting the full funding for it, because ultimately we go into textbooks or facilities or paraprofessional envelopes and other envelopes. We're going to go in there and we're going to take money out of those envelopes to fund the kids who can't help themselves, and that's what we're trying to do here, make sure we educate all children to their fullest, and in doing so, we have to borrow \$10 million out of other envelopes.

Mr Phillips: Similarly, with English as a second language and the other unique needs you're trying to meet, is the answer the same as to how you find the funding there?

Mr Carnevale: It is, but when it comes to English as a second language, obviously being from Toronto, you understand the difficulties we face. Our problem is, of course, how do we address those concerns? It's not as simple as just taking money out of other envelopes. At some point, you just can't take any more. Ultimately what happens is that we can't provide the resources, we can't provide those teachers, because we don't have the funds.

Mr Christopherson: Thanks for the presentation. This has come up a lot, the issue I'm going to raise, and given all the other issues, I haven't yet touched on it. It's this business of your being mandated to negotiate three-year terms with the teachers' unions, but the government will not give you funding beyond one year, and even then you're finding out late in the year how much you're getting. I can just imagine what this government would do if somebody said that to them. We'd still be peeling them off the ceiling.

What do they say when you raise the obvious question, which is, how can we possibly negotiate a three-year term when 80% of our costs are wages and benefits and you won't tell us what we're going to receive? What do they tell you when you raise this?

Mr Carnevale: I'm hoping to get the answers after this meeting.

Mr Christopherson: Good luck.

Mr Carnevale: To touch on that, I don't think you're able to have those same projections for yourself and your own staff, so I understand that. I understand the difficulties around that. But for us, I think what it comes down to is that we'd like to be able to negotiate settlements with our unions that we're making conscious decisions over. If we know we're going to get 1% next year, then the onus is on the trustees to decide: are we willing to go into other envelopes to fund that, are we going to go above 1%, are we going to go below 1%? But that's our decision. You've made the system accountable. You've made us stand up to taking responsible actions. Now give

us the information we need to make even more responsible decisions. That's really the problem.

Mr Christopherson: I can appreciate it's probably difficult too for the unions to sit down and develop their strategy. Normally, if they know they're going beyond what you've notionally allocated on a wage line, they know the arguments they need to make one way or another, or accept certain realities and move into another area. They can't do that either. So both of you are sort of going into negotiations blind.

Mr Carnevale: You're absolutely right. That's part of the problem.

Mr Christopherson: I can't let it go by without touching on special education—ESL. I represent Hamilton West. It includes the downtown area—very similar issues and challenges as you face here in Toronto. For the life of me, I can't understand how the government expects new Canadians, as children, to lay down the roots necessary to be successful in our society when they're cutting back on the services that help people when English isn't their first language. It makes no economic sense, as well as making no social sense. Some of the rules are clearly meant just to cut children off. There are examples of coming in through the United States. If you resided there for two or three years, I think, you don't qualify. What are you doing to try to compensate for the lack of funding to support new Canadians in our communities?

Mr Carnevale: There are new Canadians, adult Canadians, whom we have in a not-for-credit adult ESL program that we offer. Actually our board has 100,000 graduates or students every year to accommodate that, and that's in partnerships with local, provincial or federal agencies. Aside from that, when it comes to students and the children, we're really having to dip into other envelopes to solve that problem, or we just can't offer the services.

Mr Christopherson: Where does that stop?

The Chair: Mr Christopherson, I have to bring it to an end, as we've run out of time.

Mr Christopherson: You dip into another envelope for wages, another envelope for special ed, another envelope for ESL. At some point, you run out of envelopes.

The Chair: Once I have the floor, Mr Christopherson, you're not recorded. I think I've been very fair with the time, and we've run out of time.

On behalf of the committee, thank you very much for your presentation this afternoon.

ONTARIO FEDERATION OF LABOUR

The Chair: Our next presentation is from the Ontario Federation of Labour. I would ask the presenters to come forward and state your names for the record, please. Welcome, on behalf of the committee. You have 20 minutes for your presentation.

Mr Wayne Samuelson: Thanks a lot. I'm Wayne Samuelson, from the Ontario Federation of Labour, and with me is Ross McClellan, the director of legislative issues at the federation.

The OFL is pleased to present our annual pre-budget submission to the standing committee on finance on behalf of our 600,000 members. The OFL participates in and supports the work of the Ontario alternative budget project, and a full presentation of our views is set out in their annual publication. For today, I want to highlight some of our special concerns.

As we enter the seventh year of the Common Sense Revolution, the first thing we have to say is that the Common Sense Revolution has been a failed experiment. That is something virtually everyone in Ontario knows, including, it seems, most of the contenders for the job of Premier.

The extent of the failure is best expressed in the astounding fact that the Treasurer of Ontario, for the first time in memory, has repeatedly refused to tell the public or the members of this committee what exactly is the true financial picture of the province of Ontario. When asked by the opposition to give the usual revenue projection for the coming year, 2002-03, the Treasurer stonewalled and refused to answer the question, not once or twice but six times.

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I'm willing to admit that I'm not an economist, but I have to say that what the government is telling us makes absolutely no sense. Ontario finances for the third quarter show that the Ontario government is running a \$140-million surplus this year. But the Minister of Finance says he's facing a potential \$5-billion deficit next year, and he refuses to explain how this can be possible. He refuses to table the numbers. There are only two possible explanations: either the government has completely mismanaged the provincial finances and is hiding a real crisis behind phony and manipulated accounting procedures, or the potential \$5-billion deficit is a fake and is being used as a bogeyman to justify Mr Flaherty's extreme right-wing political agenda. I suspect that's probably the real explanation.

I hope this committee, and especially the government members, will realize how unprecedented it is for the Minister of Finance to stonewall at these hearings. Ernie Eves, Floyd Laughren, Bob Nixon, Frank Miller and Larry Grossman never treated this committee with that kind of contempt.

We can only guess at the extent of the misery that faces Ontario when Minister Flaherty says he has a potential \$5-billion problem without coming clean about the nature of the crisis, and that he intends to make more cuts. Make no mistake: if Minister Flaherty intends to cut as much as \$5 billion out of the budget next year, he will create such damage that it will make the cuts of the Mike Harris era look mild by comparison.

How could it be that Ontario is facing a \$5-billion cash crisis after seven years of the Common Sense Revolution? After all the boasting, all the propaganda, all the taxpayer-paid ads claiming that tax cuts would solve all our problems and lead to higher and higher economic growth, how can we possibly be facing a \$5-billion deficit? If we are facing a \$5-billion deficit, the cause is

crystal clear: irresponsible tax cuts which now total \$12 billion a year in lost revenue.

The tax cut solution always was and always will be voodoo economics. It has nothing to do with the Ontario economic recovery from the recession of the early 1990s. That recovery was driven by a combination of exports to the US, a very sensible policy of interest rates and a low and very competitive dollar.

We warned this committee last year, and we warn you again, that the tax cut agenda is wrong; it is folly. It is dangerous and certainly destructive. What this government has done over the last four years is squander the fiscal dividend that should have come to the treasury during the four years of economic growth. Part of the fiscal dividend should have been kept in reserve to cushion Ontario from the downturn that is now upon us.

In our submission to this committee last February, we warned that the minister's growth projection for 2001 was very optimistic. We, and many others, warned that the US economy was heading into a cyclical downturn and that—I quote from page 6 of our last year's submission—"The only question is how bad will it be."

We still don't know the answer to that question because of the minister's stonewalling. But we do know that in the third quarter, between July and September, the Ontario economy actually shrunk by 0.8%. That's before the full impact of September 11 had even been felt. On an annualized basis, that would be a decline of 3.3% in provincial GDP. We assume the fourth quarter, post September 11, will be much worse.

Unemployment has shot up to 7.4%. Half a million Ontarians are already out of work. According to the latest Ontario labour market report, between January 2001 and January 2002 the number of jobs in Ontario increased from 5.852 million to 5.863 million. In other words, in 2001 the Ontario economy produced a grand total of 11,000 new full-time jobs; that's right, 11,000, not the 91,000 claimed by the minister. That's another phony number. It's 11,000 additional full-time jobs last year. Keep in mind that we need 100,000 new jobs just to stand still; that is, to accommodate young workers who are entering the workforce for the first time. This is one more example of the colossal failure of the Common Sense Revolution's voodoo economics.

During the last 12-month period, Ontario has lost jobs in agriculture, manufacturing, transportation, warehousing, finance, professional services, culture and recreation. Instead of maintaining public services and programs when the money was pouring in between 1998 and 2000, the government spent the dividend in advance on useless tax cuts. Now that the economy is turning sour, the reserves aren't there like they should be to protect Ontario from the effects of a recession. And so we are told that Ontario faces a potential \$5-billion crisis. This would be a crisis that has been manufactured entirely by this government.

We will issue the same warning we issued last year: cancel the unimplemented tax cuts. We cannot afford them. We cannot afford to cut another \$5 billion from

Ontario's budget. It would be absolute insanity. We can't afford another Walkerton. We can't afford another year of chaos and turmoil in our schools. We can't afford more hospital emergency rooms on emergency bypass. We can't afford to send sick people to Buffalo. We can't afford to let three people die on the streets every month in this very city because there are no homes for them to live in. We certainly can't afford thousands of children living in emergency shelters.

We've had seven years of the Common Sense Revolution. Let's admit it: it didn't work. It's time to scrap it and return to a measure of sanity in this province.

The tax cuts had nothing to do with economic growth. The tax cuts had nothing to do with reducing the deficit. The Premier himself admitted in the House that according to the Ministry of Finance projections, the budget would have been back in balance by 1997-98 without the cuts.

Interjection.

Mr Samuelson: Mr Chair, does that come off my time, the mumbling over here?

What a supreme irony: after years and years of condemning the previous government for running a deficit during the last recession, the Harris government declares that at the end of the road it is facing a potential \$5-billion deficit. And now, according to the Minister of Finance, we'll be right back where we started, facing a huge deficit. Or again, as we suspect, the \$5-billion deficit could be a phony smokescreen to justify more draconian cuts and is part of Mr Flaherty's truly bizarre leadership campaign. Whatever the case may be, his government's tax cuts have already wrecked Ontario's heritage of public services and programs.

Let's just take a quick look at the mess in education. Not only have there been cuts in real spending, but research by the EIC shows that the funding formula itself has shortchanged the school system. In its December 2000 report, the Education Improvement Commission pointed out that the funding formula is deficit in the following areas: English as a second language, French as a first language, learning opportunities, First Nations students, special education, pupil accommodation, the small-school factor, small-boards administration and teacher compensation. We strongly advise this committee to insist on a complete revision of the education funding formula.

As if this were not enough, our school boards have been forced to absorb the deficit which has been downloaded by this government on to their shoulders. The cuts to elementary and secondary school funding must be restored.

At the post-secondary level, disaster is already upon us as skyrocketing tuition increases and hopeless overcrowding are squeezing working-class students out of Ontario's universities.

The same deficit download syndrome exists in the health care system today. The total debt of Ontario's public hospitals increased by nearly \$1 billion between 1995 and 2000, and the crisis generated by the deranged

cutback and restructuring activities of this government shows no sign of easing up. Incredibly, according to documents tabled before this committee, the total cost of all this restructuring stands at an unbelievable \$14.9 billion—I'm sorry, \$4.9 billion. This government actually squandered almost \$5 billion to turn our hospitals, schools and municipal public services upside down. It really is unbelievable.

Our cities, which used to be prohibited by law from doing deficit financing, are now piling up mountains of debt while the standard of service plummets. If you don't believe me, just look at the state of the streets in this city. Once upon a time they were clean, but that was before the revolution.

Let me say something about the most spectacular failure of the Common Sense Revolution: the crisis of homelessness, which now affects every city in Ontario. We were told in 1995 that if we scrapped social housing programs and got rid of rent control and tenant protection laws, the private market would solve the housing crisis by building affordable housing. So what went wrong, my friends?

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We have the results. Last year, vacancy rates in Ontario were below 1%. In each of the four years between 1997 and 2000, Ontario has had less than 2,000 rental housing starts. By contrast, between 1988 and 1992, rental starts averaged 15,000 units a year. Ontario now has an affordable housing deficit of 74,000 units. This is another clear sign of the abject failure of the Common Sense Revolution. The private housing market cannot and will not provide affordable housing. That is why the Davis government and every government since, except this one, built social housing. That is why the Davis government and every government since, except this one, passed rent control laws and tenant protection laws.

Our recommendation to this committee is that Ontario urgently needs a new social housing program and it needs one now. The fastest growing group of homeless people in this province are children; 6,000 children were living in shelters last year in Toronto alone. A major study in November 2001 showed that 20% of children were coming into the children's aid society care because of lack of housing. More than 30,000 people stayed in emergency shelters in Toronto in 1999. The biggest increase was in two-parent families. There are homeless families in every city in Ontario, but instead of offering new funding support to build affordable housing, this treasurer announces his plan to make homeless people criminals and throw them in jail.

The final irony is that the current issue of Ontario Finances shows on page 8 that Ontario received \$530 million for social housing from the government of Canada. But on the expenditure side, page 9, Ontario has cut the budget for the Ministry of Municipal Affairs and Housing by \$572 million since 2000-01. As far as I'm concerned, this represents a total misappropriation of funds. Every dime received from the federal government

should be matched by the government of Ontario to build homes for homeless men, women and children.

Finally, we have the scandal of what has happened to social assistance in the province. No other group of people in Ontario have had their incomes cut by 22% and then been held down at that subhuman level for six long years without a penny increase. It's an offence against every decent impulse of a civilized society. The Bible condemns people again and again for "grinding the faces of the poor," and that is exactly what this government has done. We can only hope that, even at this late date, some shred of compassion and decency will see light in the coming budget. At a time when unemployment is once again on the rise in Ontario, I urge this committee to do the right thing: call for a major increase in the income of those on social assistance.

Thank you very much.

The Chair: We have a minute and a half per caucus, and I'll start with the official opposition.

Mr Phillips: Thank you for your presentation. It is ironic that Mr Harris heads out the door in a couple of weeks, I guess, and we have this seeming financial chaos with a \$5-billion problem looming. The government is saying, "We'll find it," and one way is that we'll cut expenditures. They've been in government now for seven years, presumably getting the fiscal house in order, so where they'll find \$5 billion—if it is in fact that size. They say they're not going to cut health and education. The rest is social assistance, which they cut dramatically, and then the next biggest ones are correctional services and the Solicitor General: our policing, our jails and our courthouses.

It is, as I say, ironic that as he heads out the door we've got this seeming chaos, according to the Minister of Finance, after seven years of Mr Harris's hands on the steering wheel. What's your judgment on how we could find ourselves, after seven years of seeming economic growth, suddenly faced with a \$5-billion problem? And if in fact they're looking at really having to make—let's say \$5 billion is an exaggeration. If they are having to make a \$3-billion cut, where would you see them having to cut that and what would be the implications of it?

Mr Samuelson: You know, guessing where these guys are going to cut next is always difficult, not because they won't have lots of places to cut, in their mind, but because they do it without any real consultation. I'm glad somebody is talking about this, because history has shown us over the last seven years that the cuts are so indiscriminate.

I travel every day in this province, and I'm reminded of a telephone call I got on a radio phone-in show when a woman said that her son in grade 5 couldn't get help—they needed special education help—and then she said, "Mr Samuelson, my son will suffer every day for the rest of his life." That story sticks in my head.

I don't know how much harm is going to have to be done to people who need help, and to many people who don't need help, before the government learns, Gerry. But I do know this: this fixation on giving more money to

people who already have lots doesn't in the end build society, it doesn't help ensure that we take care of each other and, frankly, that we put in place the kind of economy and society that I think we all expect in this province, and it has caused a great deal of harm.

Mr Christopherson: Wayne, Ross, thanks very much for your presentation. It's good that there are powers that are prepared to make arguments for people who don't have lobbyists and don't have charts and don't have big presentations, because, quite frankly, as we've seen from presentations today, a lot of folks who are already doing quite well have the ability to come in here and make a case and work the system. If it weren't for organizations like the OFL putting their strength behind these issues, there's nobody else to speak for them. So I want to thank you for that.

It was interesting, the reaction you got, when you read on page 6 that the Premier had admitted in the House that according to Ministry of Finance projections the budget would be back in balance by 1997-98, even without the tax cuts. The reaction is similar—watch, it'll happen again—when I remind them that in the 1995 election the date for having a balanced budget actually came sooner with the NDP than it did with the Tories—

Interjections.

Mr Christopherson: There they go. See, it happens every time. But it's the truth. That's exactly what happened—typical of this government, you know, night is day, day is night, black is white; it's just the opposite of everything. It's the truth, and the reason it's the truth is that we didn't have billions of dollars in tax cuts draining the money away. So we could have balanced the budget sooner, eliminated all the devastation that you've done to everything and we'd have had a balanced budget sooner. So it's good to keep these folks at least one toe in reality.

I have a report that Premier Harris earlier today said in a speech to the board of trade—and I don't have a quote, but the essence of what he said was that he wished he'd done more to implement the Common Sense Revolution faster, cut taxes more and cut them faster. How would you react to that?

Mr Samuelson: My guess is that he's probably down there looking for a job. It's probably a good spot for him to try to make people happy. It would probably help him get a job in a short while.

Having said that, Dave, frankly that's one of the problems. This suggestion that somehow you can go down and meet with the board of trade and talk about what you want to do without considering what the impact would be on people who work in the factory I come from or live in your communities is—

Interjections.

Mr Samuelson: Mr Chair, Jeez, it's pretty rude.

The Chair: There has been an echo in the room all along. You've got about 30 seconds to wrap it up, so we'll go on.

Mr Samuelson: The point I'm trying to make is that it's this arrogance that leads to people interjecting, but also suggests that somehow "I know better." I think

that's what has been characteristic of the Harris leadership and certainly their government, that somehow "I know better, and everything you say is just wrong, and I'm not going to listen to it."

I spent all my life in politics and in the labour movement, and there are lots of people I've disagreed with, but I think everybody in this economy has a right to express their viewpoint, and people deserve to do that with some respect, and they certainly deserve to do it without having heckling from their elected representatives.

The Chair: Thank you very much. I'll go to the government side.

1700

Mr Gilchrist: Thank you very much, and you might want to play a tape back, Wayne, because once again, having come in to decry the government for being ideologues you've suggested that you've got all the answers here. Let me just recount what you've told us here today. So there's not a single action that the government did that laid the foundation for any of the economic improvements, but by the same token everything we did is responsible for 100% of the imminent failure. It's an interesting perspective.

You say that somehow it's a secret, the state of the finances, and then on your second page you actually quote last week's publication of the Ministry of Finance that gives you the most up-to-date financial information on the third quarter.

Mr Samuelson: No, it doesn't.

Mr Gilchrist: Perhaps you have some crystal ball. You're challenging the speculation that has come from a number of economists, not just the Minister of Finance. So perhaps you'd like to put on the record here today what you say categorically we can hang our hats on for the economic improvement, the increase in GDP in the province of Ontario. I'll be fascinated to know the source of that premonition as well.

When you talk voodoo economics, it's kind of hard when you look at the actual numbers, and I know you don't want to do this, you'd rather deal with rhetoric, but the revenues we inherited were \$49.5 billion. When Mr Harris is leaving, they're \$64.5 billion. All those tax cuts, those billions we gave away, I guess the tax fairy just brought in \$15 billion and left it under his pillow one night. By the way, all those draconian cuts, well, let's see: the last year the NDP were here, they spent \$56 billion; this past year, the finished past year, we spent \$5.5 billion more. What school did you go to, Wayne, that the word "cut" can be used in the same sense of going from \$56.1 billion to \$61.6 billion? I'll be fascinated to hear how you can do those mental gymnastics.

Mr Samuelson: I'm really pleased to answer your question, Steve. First of all, I'm quite amazed that you have to ask me what I think the GDP will be next year when you're unwilling to—

Mr Gilchrist: You're saying Flaherty doesn't know.

Mr Samuelson: Can I finish, with all due respect?

Mr Gilchrist: I asked you a question. What is it?

Mr Samuelson: I'm answering it.

The Chair: Mr Gilchrist, Mr Samuelson does have the floor.

Mr Samuelson: Thank you very much. Frankly, I'm surprised you would ask that question when you're unwilling to even release your own numbers. But I think your other question is even more disgusting.

Mr Gilchrist: You didn't answer.

Mr Samuelson: If you can't figure out why expenditures increase in an economy that grows every day because the population grows and the money you bring in and expend is affected by inflation, if I have to explain those basic realities—I bet your income from taxes also increases. Well, of course, the economy gets bigger, more people go to work, more people, more jobs. It's not rocket science, and I continually am amazed at how the government would rather not talk about what it has meant to my kid, my daughter, who suffers because of your policies in her education; my mother, who went through your health care system. I was there, and I've seen it, and this is real. I've just about had it up to here with people who come to me and try to—

Laughter.

Mr Samuelson: And laugh, Mr Hardeman. These are real people's lives, and it's having an impact on them every single day. You can sit here in your offices and—

The Chair: With that, we have run out of time and I have to bring the discussion to an end. On behalf of the committee, thank you very much for your presentation this afternoon.

ONTARIO PHARMACISTS' ASSOCIATION

The Chair: Our next presentation will be from the Ontario Pharmacists' Association. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Ms Jeannette Wang: Good afternoon, Mr Chairman and committee members. My name is Jeannette Wang, and I'm the chairman of the board of the Ontario Pharmacists' Association. Thank you very much for allowing us to make this deputation today.

Before I begin, I'd like to introduce our delegates with me today and give you a brief overview of the Ontario Pharmacists' Association. I have with me Mr John-Paul Dowson, who is OPA's director of government and external relations; and Ruth Mallon, who is our vice-president of pharmacy services.

I'd just like to take a minute to walk you through who the Ontario Pharmacists' Association represents. We are a voluntary not-for-profit professional association representing pharmacists and pharmacy students. We have approximately 5,000 members across the province, representing all areas of practice, from research to hospitals and to the community.

Ontario is home to a diverse market for pharmacists and pharmacy services, delivering a dynamic mix of services in a huge variety of settings. It's also interesting

to note that a full 60% of Ontario's community pharmacies are independent—they're the small mom-and-pop pharmacies—with the remaining 40% comprised of chains, franchises and large retailers. The diversity of community pharmacy supports the delivery of a wide choice of services to meet the unique needs of our patients.

The OPA does have a memorandum of understanding with the government of Ontario which officially recognizes us as the lead voice for pharmacists in the province. We at OPA certainly take our obligations under the MOU very seriously. To this end, we are constantly searching for ways to help the government save valuable health care dollars while moving the pharmacy profession forward.

OPA recently developed and submitted responsible, reasonable and achievable program objectives that can help deliver net savings in the delivery of ODB and health care services, and I believe each committee member now has a copy of that. Pharmacists are a significant stakeholder in the health care sector, with a particularly strong interest in the Ontario drug benefit program and the delivery of broader collaborative health care services.

Why are we here today? Every year, OPA participates in the government's pre-budget process. We see this annual process as a very important opportunity to bring ideas and proposals forward that will help shape the future of a health care system that we all rely on. However, we believe the system can benefit from some innovative changes delivered by pharmacists.

Before outlining our issues and proposals, I would like to recognize some current partnerships between the government and OPA.

The first one is the Telehealth initiative, where OPA is very pleased to be partnering with the government to provide callers with a medication information service as part of the Telehealth initiative.

Second, we have the seniors' safe medication use program. OPA developed this program, which then was supported by the Ontario government. Through this partnership, pharmacists receive a fee for delivering medication information seminars to seniors across the province, and we certainly look forward to renewing this program with the government in 2002.

Third, we have the clinical tobacco intervention program. With the support of the Ministry of Health and Long-Term Care, pharmacists are working together with physicians and dentists to assist individuals in quitting smoking. We believe the program is well worth the government's investment. If you think that a smoker usually takes twice the amount of medication of a non-smoker and costs an employer typically upwards of over \$2,500 annually in additional health care costs, it's certainly a worthwhile investment for the government.

Finally, we have the emergency contraceptive program. OPA is pleased to be a partner in the delivery of two Toronto-area pilot programs for the Ministry of Health, benefiting women's health needs. Under a strict protocol, trained pharmacists are permitted to prescribe

and dispense the morning-after pill, called Plan B, to women. After dispensing the medication, the patient's health information for the prescription is sent to, and verified by, a physician. It's another example of pharmacists and physicians working in collaboration to deliver health care services. This particular program saves an estimated \$1,000 for each unintended pregnancy.

While OPA supports the promotion and delivery of these programs, a lot more can be done and must be done. OPA has presented some 23 options for the Ontario government to save money, to resolve outstanding issues with the profession and to improve the delivery of patient-focused health care.

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Many of OPAs proposals are well known to this committee and to the government. We have been down this road many times before—actually, some six times in front of this very committee—and each year we are left with a sense of frustration as the government fails to embrace our innovative ideas for expanding the use of pharmacists in the health care services. However, we remain hopeful that this year, in the face of a deficit, the government will adopt some of our recommendations. Our proposals are achievable, efficient, fair, costed out and proven to work in other jurisdictions.

One of the key messages we would like the committee to know is that pharmacists can help the government find health care savings. We know there is no new money. Pharmacists can improve access to health care services. Pharmacists and physicians share a unique collaborative role in health care. We're advocating for expanded pharmacy services and a united commitment to improved health outcomes and cost containment. Each missed opportunity to increase the use of pharmacists is a missed opportunity for savings, for improved access to care and for greater collaboration between the different providers.

I must tell you again and emphasize again that Ontario pharmacists are frustrated. We want to move forward. We want to work with the government. We see more patients, a greater demand for Ontario drug benefit prescriptions, escalating annual drug costs, a shortage of available pharmacists and a government that seems unprepared to move in new directions. We need the government—we need you—at the table before we can move forward together.

Pharmacy is facing some very serious challenges to a renewed partnership with the government. First of all, I'd like to bring your attention to the fact that the ODB professional fee for dispensing has been frozen for 12 years. It remains at \$6.47. Also, under ODB, pharmacists lost at least \$22.5 million last year subsidizing higher drug costs as a direct result of the ODB regulations—the government's own regulations—that are not enforced.

Pharmacists know their professional needs cannot be addressed in isolation of the entire health care system. However, the profession also knows its needs must be addressed to help support and improve the delivery of health care services, particularly the drug program.

I want to review our concerns about the ODB professional fee or, as it's also commonly called, the dis-

dispensing fee. As I've said before, pharmacists continue to face a 12-year freeze on the ODB dispensing fee at \$6.47. Let's just think about that for a second: no increase in 12 years. In fact, the fee was actually decreased under the social contract and then restored to \$6.47 in 1999.

Now, also look at the other side of the equation. The cost of pharmacy practice increased by 31% in the last 10 years, the volume of ODB prescriptions increased 8% between 1999 and 2000, and national prescription sales increased by 56% since 1996. In reality, I'd also like to draw your attention that the actual cost, the real cost, for a pharmacist to dispense medication ranges from \$9 to \$10.50. So there is clearly a disconnect between that figure and the \$6.47 under the Ontario drug benefit program.

It's really important to recognize that the ODB dispensing fees are not a program cost driver. ODB expenditures on dispensing fees in 2000-01 accounted for only 3.2% of the government's total ODB costs. The government's share, after patient co-pays and deductibles, was \$57.5 million.

As the cost of practice races upward, our fee remains frozen in time. Pharmacists cannot continue to absorb cost increases without an adequate increase in the ODB dispensing fee.

How could this happen? It happened because ODB would not pay the \$22.5 million owed to pharmacists to cover the overhead cost of the 150 ODB drugs reviewed by the OPA. However, the ODB program did pay pharmaceutical companies \$140 million more than it should for these drugs. There are 150 drugs on the ODB formulary with actual prices that are 200% higher than their ODB listed price. In fact, a number of drug prices exceed their ODB-listed price by more than 1,000%. The price freeze on ODB drugs invoked by the Ministry of Health in 1993 is clearly being ignored. ODB pays higher drug prices, even though regulations clearly state that a drug must be made available for purchase at its ODB-listed price in order to remain on the formulary.

The OPA recognizes that there are costs incurred by drug companies in getting their drug products to market. However, every drug that exceeds the listed price erodes the pharmacist's markup. Whether the government enforces drug regulations or employs another means for cost savings in health care, pharmacists cannot subsidize, and should not be squeezed into subsidizing, actual drug costs under ODB. The only freeze being imposed by the government is on pharmacists, which is the smallest expense under the ODB, and clearly the easiest target.

So where do we find the savings? I want to turn your attention to the options for cost savings and service delivery document, which you have in your hands. OPA's proposals demonstrate the ongoing commitment of pharmacists to work in close partnership with physicians and other providers for the benefit of our patients. The unique expertise of pharmacists in disease and medication management programs provides govern-

ment with vast and largely untapped resources to help the delivery of health care.

In June 2001, the Minister of Health and Long-term Care called on pharmacy to deliver the tools that would help the government address the long-standing professional needs of pharmacists. The OPA submitted to the Ministry of Health the document you have in your hands, called Options for Maximizing the Efficiency and Efficacy of the Health Care Budget. We answered the call. Ontario pharmacists have given the Ontario government real opportunities for savings, real opportunities for investing in pharmacy and real opportunities for improved access to health care services. Let me walk you through some of the savings we can achieve.

We can save \$300 million by permitting pharmacists to authorize prescription refills under a strict protocol with physicians. How it works is that under defined rules, pharmacists can provide refills for selected patients, where appropriate, and free up doctors' time to see patients in greater need.

Another \$14 million could be saved by implementing a seven-day trial prescription program. What happens is that this trial program delivers an initial quantity of the drug to the patient, and the remainder is dispensed, where appropriate, to complete the treatment. This program can reduce drug waste and improve patient care.

Another \$98 million could be saved by implementing pharmacy-based warfarin clinics. This is already happening in many Ontario hospitals, in some US states and soon in Alberta. Pharmacists monitor the blood levels of this anti-clotting drug in patients, and physicians, again, only see people in greatest difficulty.

Another \$11 million could be saved by implementing a prescription clarification program. Again, this is done in collaboration with physicians. A pharmacist would refuse to fill a prescription that may not be in the best interests of the patient. The pharmacist would contact the doctor, discuss the drug therapy options and resolve the problem.

If you look at these four programs collectively, they could save a total of \$423 million for the government.

The future of pharmacy practice offers exciting opportunities for improved delivery of cost-effective patient care. It's time to invest in these opportunities to relieve the pressure on overburdened doctors, nurses and hospitals.

In conclusion, the Ontario Pharmacists' Association is asking the government to move forward together with pharmacists to implement OPA programs that could save more than the \$400 million I alluded to earlier; restore necessary markups for pharmacists to recover their drug costs; lift the 12-year freeze on fees and increase the ODB dispensing fee; and finally, move forward in a strong partnership for development and delivery of new and expanded pharmacy services in collaboration with other health care providers.

I'd like to thank you all for giving me this opportunity to share ideas with you, and for your attention. I'm sure it's been a long day.

1720

The Chair: We have time for a quick question from each caucus. We have less than one minute on each side.

Mr Christopherson: You talked about \$140 million that could be saved with the pharmaceutical companies because of the ODB formulary, that some of them are 200% higher and some are more than 1,000% higher. Could you expand on that a little for me?

Ms Wang: Every six months or so, the ministry puts out a formulary listing drug prices. Theoretically, pharmacists are able to purchase those drugs at the prices listed in the formulary. But there are 150 drugs where price increases have gone ahead over the years, and pharmacists just cannot purchase those drugs at the formulary-listed price anywhere. There are regulations in place that, for a manufacturer to get listed on the formulary, they have to provide those drugs at those prices. But clearly, companies are allowed to do that without making those drugs available at those prices.

The Chair: Mr Hardeman.

Mr Hardeman: I just wanted to make sure I understand about getting the price straight. The price on the price list that the pharmacist must provide it for—you provide it for that, and later on you get paid the difference between what you had to pay to purchase it minus your markup. Did I get that right?

Ms Wang: That's correct. We can get what we call the actual acquisition cost back. But when we adjudicate that claim, we don't get the markup. That is very detrimental for the pharmacists, because the markup provides for inventory carrying costs of procuring that drug, of carrying that drug in the pharmacy.

The Chair: Mr Kwinter.

Mr Kwinter: Just so I understand, is that what you talk about when you say that you subsidized higher drug costs to the tune of \$22.5 million?

Ms Wang: That's correct. Every time we can't claim the markup, the pharmacy has to cover the inventory carrying costs. Where does the money come from? It comes from the other side of the operations within the pharmacy. The other aspects of the pharmacy operation are effectively subsidizing the Ontario drug benefit program to the tune of \$22.5 million a year.

Mr Kwinter: When there are incidences where it's up as much as 1,000% above the sort of rack rate, how does that happen?

Ms Wang: You have to understand that the cost of producing drugs increases every year. This price freeze was invoked in 1993. It costs more for the drug manufacturers to produce those drugs, so they feel it's necessary for their operations to raise prices to cover the cost of producing those drugs. In the meantime, with the formulary, because of the pressures on the drug benefit program, the government is freezing those prices. So pharmacists, again, are caught in the middle. We cannot buy those drugs at the formulary-listed price anywhere, and the manufacturers are effectively charging the government the higher prices.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

SCHEDULE FIVE

PHYSIOTHERAPY CLINICS ASSOCIATION

The Chair: Our next presentation is from the Schedule Five Physiotherapy Clinics Association. I would ask the presenters to please come forward and state your names for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation. I must admit my spine does feel like this today.

Ms Judy Gelman: We can help you. I'm Judy Gelman, president of the Schedule Five Physiotherapy Clinics Association.

Ms Carol Dusome: I'm Carol Dusome, and I'm on the executive of the Schedule Five Physiotherapy Clinics Association.

Mr Leonard Domino: I'm Leonard Domino. I work with Schedule Five Physiotherapy.

Ms Gelman: Thank you for letting us present today. I'm sorry it's so late in the day. I know you all do feel like the pen, so we'll try to help to make this very quick and clear.

First of all, I just want to say that we have been working very closely with the government, and the Ministry of Health especially, and we've had some very positive interactions. Mr Clement and his staff have been very, very helpful with us.

As you'll see from our handout, which is straighter than our pen, the acronym SFPCA stands for "simple, financially efficient, proven, cost-savings and accessible." But as we flip along, I just want to explain to all of you, in case you don't know who we actually are, the Schedule Five Physiotherapy Clinics Association represents the majority of the 100 physiotherapy clinics operating under the schedule 5 licences granted to us by the Ministry of Health. The association is the official and only negotiating body on behalf of OHIP-funded physiotherapy services across Ontario.

Since 1964, our clinics have met Ontario's need for low-cost, high-quality physiotherapy care. Last year alone, our clinics provided over four million services, at least 60% of which were provided to senior citizens. As Ontario's population continues to grow older in the coming years, an even greater percentage of our patients will fall into this group.

If you'll turn just quickly to page 3, we have a graph there for your understanding of our patient population. I must admit that it has not been updated over the last two years, but it shows you that a great majority of our patients are seniors.

Continuing, many senior citizens live in urban areas. Schedule 5 clinics represent the most accessible treatment options available. Schedule 5 physiotherapy clinics have shorter waiting lists than hospital outpatient clinics. We have a high quality of care. We provide extended hours in our clinics and generally are located in places where seniors live.

We also offer office visits at a rate of \$12.20. Now, that rate is not something that we're very proud of, because I heard the pharmacists talk about not having a raise in many, many years, and obviously the same thing goes for us. But we're not here to talk about that today. But compared to a physician assessment-for-referral visit of at least \$24.09 or a hospital outpatient visit at a cost of over \$20, the schedule 5 clinics provide equal or better care, at 50% of the cost, of alternative government-paid services. With over two million services a year currently being provided to seniors alone, the government is already reducing potential health care costs by at least \$24 million per year by using our services.

Reinvesting in schedule 5 services has the potential for further immediate savings of at least 50% for related payments currently made to physicians for referrals and to hospitals and CCACs which are providing physiotherapy services. Assuming that schedule 5 clinics currently provide around 50% of government-funded physiotherapy services in Ontario, which is the figure given to us by the CCACs, the potential for an additional \$20-million to \$30-million immediate reduction in health care costs through reinvestment of services to schedule 5 clinics is not only realistic but attainable.

As well, many of our clinics offer home care services. These are usually offered at about one third of the price comparable to private home care services or the CCACs. Many schedule 5 clinics service senior citizens where they live, allowing these people who would not otherwise have access to physiotherapy to receive treatment.

Currently, schedule 5 clinics are underrepresented in rural areas. The Ministry of Health froze the addition of new schedule 5 operating licences back in 1966, and no new clinics have opened since then. Reinvestment can allow for increased coverage for schedule 5-delivered services across all of Ontario.

Our clinics meet a wide variety of physiotherapy services. A majority of our patients are seniors. As well, however, many of our patients need treatments related to post-surgical interventions and orthopaedic conditions such as arthritis and tendinitis. General conditions such as repetitive stress also form a significant and growing part of our caseload.

As the next chart, on page 8, illustrates, schedule 5 clinics bill OHIP significantly less than hospitals or home care services do for the same treatments, making us a much more cost-effective form of service delivery. There has been no fee increase to schedule 5 physiotherapists since 1994, but all alternative costs have risen.

We do not have actual costs for the CCAC physiotherapy provided but we know, because many of us are often asked to help them with providing physiotherapists for CCAC physios, and whereas we're getting \$12.20 a treatment, they're often getting between \$45 and \$85 a treatment. That's what the government is paying.

As you can see here, the hospital outpatient is over \$20, and it's gone up, compared to our \$12.20. Home care is over \$38, closer to \$40 usually; ours is \$24. For multiple care—that's patients in nursing homes—it's a

combination; theirs is around \$40 and ours is around \$12. So you can see that it's a very big discrepancy.

The ability of our clinics to operate at such low per-service costs comes, first, from our ability to streamline administration, thereby reducing unnecessary expenses and, second, from the fact that fees for service have not been increased since the social contract agreement.

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At our clinics, however, low-cost care does not reflect lower quality. Patients at our clinics look forward to the best possible treatment at the hands of professionals. Treatment in our clinics is provided by qualified physiotherapists operating under the guidelines of the Ontario college of physiotherapy. The college ensures that service levels are met or exceeded.

The only OHIP-funded physiotherapy service for seniors that is alive and well is sitting right here. There were some treatments being given under the auspices of doctors, called G codes, and that was discontinued a very short time ago, as I think you're all aware. So now, as I say, to repeat ourselves, the majority of our patients are seniors on fixed incomes. They would be unable to pay for treatment if any copayment is put in place. Seniors also have told us loudly and clearly that they will not accept this loss of a vital service that helps them maintain their mobility, strength and independence.

We also want to make it very clear that we would like not to be lumped together with some of the other independent practitioners such as the chiropractors, podiatrists and optometrists, because our caseload is a very different caseload. Our patients are mostly seniors who cannot afford and who do not usually have extra health insurance.

Also, our cost of only \$50 million a year is a very small portion of the total health care budget. The impact of any copayment would be significantly more severe for our patients.

Copayment and budget cuts to physiotherapy would result in minute savings to the government when compared to the high price in terms of social costs and health outcomes. Patients without physiotherapy cannot remain strong enough to stay at home, meaning they will have to go into nursing homes or hospitals. Hospital stays will become longer, as no physiotherapy would be offered for patients returning home after surgery. Patients in nursing homes whose strength is not maintained will have more falls and end up in acute care hospitals.

The financial viability of schedule 5 clinics also would be seriously weakened if the implementation of a copayment or a fee reduction were put in. The most affordable, most reliable physiotherapy services for citizens of Ontario would be undermined.

Ms Dusome: Our notes on understanding the key objectives of the Ministry of Health and Long-Term Care: to protect accessibility to services for seniors; to maintain the quality of service; to manage the costs of physiotherapy services; to identify immediate cost savings; to respond to service demands; to provide quality care; to maintain the lowest-cost delivery position; to

provide the least disruptive delivery solution; and to provide the lowest government investment of time and resources.

The issue of accessibility: delivery of physiotherapy services, especially to seniors, must be provided, and on a timely basis. Schedule 5 clinics are represented in a large part of Ontario, and there is a capacity to expand. We are a low-risk, proven-commodity approach.

Schedule 5 clinics provide the lowest-cost option to the Ministry of Health and Long-Term Care at a basic rate of \$12.20 per visit, which is less than one third of the cost of CCAC-directed physiotherapy through CCAC funding, less than half the cost of unnecessary physician referrals currently provided at \$27.05 per visit, and significantly less than hospital emergency or outpatient clinic costs.

Schedule 5 clinics reduce the incidence of seniors requiring hospitalization or full managed care.

Existing funding for CCAC-directed physiotherapy services should be reallocated to the schedule 5 clinics and our lower-cost option.

Schedule 5 clinics provide equal or better results, with more access to services.

A significant reduction in required funding, potentially two thirds of funding currently provided to CCACs for physiotherapy, can be achieved by utilizing the existing performance standards of schedule 5 clinics.

Ms Gelman: Cost savings potential through reinvestment: I'm not sure whether you're all aware, but a physician referral for physiotherapy services is no longer required. Schedule 5 licensed physiotherapists are qualified to perform initial and ongoing assessments and no physician referral is legally required or necessary. The ministry has not yet, however, educated the public or the physicians on this cost-saving issue. We've been talking with the ministry about this for quite a few years and it has not yet been done. The cost of an office visit for a physician, for them to assess and then refer a patient to us, is approximately \$27.05, as compared to our initial assessment visit, which is \$12.20. Therefore, there's a potential to reduce or redirect over \$1.5 million per year, every year, for every 100,000 patients that physicians see to refer them to schedule 5 for physiotherapy.

Also, services provided through our clinics, both in office and home visits, significantly reduce the incidence and extent of hospitalization as well as physician interventions. A single treatment provided at \$12.20 can eliminate one hospital visit or physician visit, either of which is more costly. Seniors who regularly use the services of schedule 5 clinics remain stronger and independent for longer periods and thus significantly reduce the need for lengthy hospital stays and acute care interventions. The prevention focus in schedule 5 service provided in seniors' homes reduces the incidence of falls and the need for acute care and hospital interventions.

Ms Dusome: Schedule 5 physiotherapy clinics provide high-quality care to Ontario. All physiotherapists are licensed. There is accreditation and protection to the public through formal and accepted college standards,

and there are established and functioning quality measures.

How should funding be reallocated or reinvested to best serve Ontario? Focus on proven cost-efficient and quality care service providers, and identify schedule 5 clinics as the providers of choice across Ontario for physiotherapy services. Existing schedule 5 clinics presently provide coverage to 81% of the Ontario population area, and this can be expanded.

Ms Gelman: The next few pages are for you to glance at later, or if you want to glance at them now, basically it just shows where our clinics are located across Ontario and the fact that we service about 81% of the population.

In summary, why should schedule 5 physiotherapy clinics be the providers of choice for Ontario and be retained? Proven quality of service; lowest cost of service; accessibility and availability across Ontario; identifiable and immediate new cost savings potential with the immediate elimination of payments for physician referrals and the immediate redirection of funding for CCAC-directed physiotherapy services to reduce costs by 50% or more.

We have the highest quality and lowest care costs. Existing clinics have the capacity and the expertise to expand service with existing infrastructure. It would be the least disruption of existing services, and it's easily periodically evaluated and reviewed with the ministry.

The Chair: Thank you very much. We have time for one quick question, one minute per caucus. I'll start with the government side.

Mr O'Toole: Thank you very much. I do respect the numbers you've given us. It's something I would encourage the government to be looking at strongly as you made the case from my perspective, especially in the case of the CCACs. And with in-home services, whether it's recuperating from surgery or some other kind of trauma, there are often physiotherapy services required. So I appreciate your input and I think just on the cost side alone—best quality, lowest price is kind of the theory here. If we can save for every 100,000 patient cases a million point something, it certainly makes good sense to me.

Ms Gelman: Thank you very much.

Mr Kwinter: I only have one question, so I'm going to have to put about three different elements into it to get the answer.

Number one, I notice that the licence has been frozen since 1966. How does that work? That's 34 years. Obviously you can't have people who are 85 or 90 doing this.

Ms Gelman: No, sorry. When I say frozen—

Ms Dusome: We're actually not that old.

Ms Gelman: We may not look it, but—no, actually, there is a provision in the regulations for people to sell the licences, so it's just the same existing licenses but they can be sold.

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Mr Kwinter: The other thing that I really want to ask about is, you mentioned you don't want any copayment. Is someone threatening to have copayments?

Ms Gelman: It was our understanding that one of the many ideas that were given to caucus way back was, number one, to either install a copayment for some medical services and/or even delist some services. So we're here to very strongly make the case that neither of those things would be a very good alternative for the seniors of Ontario.

Mr Christopherson: Thank you for your presentation. On page 4 you state, "Schedule 5 clinics provide equal or better care at 50% of the costs of alternative government-paid service providers." Can you just break that down for me a little bit as to why and how that is?

Ms Gelman: First of all, the CCACs, which are the community care access centres, put out RFPs and they have providers. When I myself put in an RFP for it, I realized that we were going to be able to pay our physios anywhere from \$45 to \$65 or \$85 a treatment with the amount of money that the people were asking for. The level of bureaucracy was at least threefold what ours is. So I think that's where their increased costs are coming in. Hospital visits have always been at least \$20. It's globally, but it is at least \$20; it's up to about \$28, I'm understanding now. Home care visits are at least also that.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

UNITED WAYS OF ONTARIO

The Chair: Our next presentation, which is the final one for today, will be from the United Way. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome.

Ms Helen Connell: Thank you very much. Good evening. My name is Helen Connell. I'm the executive director of the United Way of London and Middlesex. I'm here today representing the United Ways of Ontario. With me are Bill Morris, who is the manager of government relations for the United Ways of Ontario, and Sandra Morris, who is the associate vice-president of United Ways of Ontario.

We'd first like to thank the committee for this opportunity to make our remarks and to make recommendations on the pre-budget process. The United Ways of Ontario represents 46 individual United Ways across Ontario. Our members work with community-based agencies and other organizations to meet urgent human needs and increased capacities for Ontarians to care for each other. Our partnership with 1,700 community health and social service agencies provides us with a unique insight into the pressures faced by community agencies and the vulnerable children, youth, adults, seniors and families they serve in Ontario.

The United Way fundraising campaigns rely on successfully engaging businesses as well as individuals throughout the community to donate to initiatives and services provided by our partner agencies. In 2001, United Way campaigns in Ontario raised \$170 million.

The United Way understands that in developing its budget, the government will be faced with the task of addressing complex and sometimes competing priorities while maintaining a balanced budget. In undertaking its annual allocations process, which involves allocating funding to high-needs program areas and initiatives that have maximum impact, the United Way itself is confronted with similar tasks.

We also understand that the budget will be developed in a context of reduced revenue and the need to re-establish economic priorities. The priorities we have identified reflect our assessment of the program areas that would most benefit from government support in budget 2002 and that would help to ensure a better future for all Ontarians this year and beyond.

In particular, United Ways of Ontario would like Ontario's 2002 budget to include strategic investments in two areas: tax and direct-spending measures to aid production of affordable housing that is accessible to vulnerable households and those needing supportive housing; and tax measures to strengthen and support the voluntary sector in Ontario.

Speaking first to housing and supportive housing, the housing conditions of vulnerable households continue to deteriorate in Ontario. This is particularly true for the 40% of Ontario households who rent. Rent increases continue to outpace incomes, rising by an average of 4% in 2001, 6.2% in 2000 and 4.8% in 1999. Tenant households are frankly getting poorer. Between 1984 and 1999, the net worth of Ontario renters decreased by 45%. In the meantime, homeowners saw an increase of 35% in that same period. Just over 60,000 eviction applications were filed in 2001. That's a 10% increase over 1999.

Ontario needs at least 15,000 new rental units each year to accommodate population growth, but in the last five years less than 2,000 new rental units have been built annually. Many Ontario communities, in fact, suffered a net loss of rental stock. More units are being demolished or converted out of the rental market than are being built. Vacancy rates in most Ontario communities remain low, averaging 1.7%.

The recent coroner's inquest into the tragic death of Gillian Hadley, a young Pickering mother, highlighted the impact that the desperate shortage of affordable and assisted housing is having on the lives of women and children who are the victims of domestic violence. Waiting lists for social housing are very long in high-need communities. More than 60,000 households are on the list in Toronto, where, for example, people who applied for a one-bedroom apartment in 1990—12 years ago—are only now being housed. These conditions leave many people vulnerable to homelessness and increase the demand for community services. Homelessness, once considered a Toronto problem, is now spreading across Ontario.

In late November, federal, territorial and provincial governments agreed on a framework for implementing the federal \$680-million housing initiative. This is the first new housing supply initiative since Ottawa and

Ontario stopped funding such programs in the early and mid-1990s. Originally, the federal government hoped to lever the matching new funding contributions from the provinces to make this a \$1.3-billion program. The provinces, however, won the right to flexibility and may count their existing programs and contributions from municipalities or third parties. Ontario's share of the federal funds is \$245 million. So far, Ontario's only new contribution is to forgo \$20 million in PST on construction materials. In contrast, Quebec is matching two thirds of the federal dollars with new funds.

The initiative has no funding for rent supplements or housing supports. Without rent supplements or other forms of assistance, the housing created through this initiative will be inaccessible to needy households. Ontario's contribution should seek to ensure that more vulnerable households are able to gain access to housing generated and to benefit from this initiative. Therefore, we respectfully make the following recommendations:

(1) That the provincial budget include a commitment of 2,500 new rent supplements targeted at needy households to augment the federal-provincial framework agreement. We estimate the cost at \$15 million annually, calculated on the basis of 2,500 times \$500 times 12 months.

(2) That the provincial budget extend the exemption from the land transfer tax to new housing developed through the federal-provincial framework agreement.

We're also here today to speak to the need for measures to strengthen the charitable sector in Ontario. In recent years, the funds raised by United Way and other charitable organizations have become an increasingly important vehicle for addressing urgent community needs. United Ways are proud to be able to provide this support to community agencies and vulnerable Ontarians. However, we are concerned about the potential impact on our fundraising campaigns of some disturbing long-run trends in charitable giving.

Analyses undertaken by the Canadian Centre for Philanthropy indicate, in particular, that both the national donor base and the national donor participation rates are actually shrinking. Across Canada, 204,000 fewer donors claimed donations in 1999 than in 1991, despite the growth in Canada's population during that period. In effect, total annual charitable giving is increasing, despite the declining donor participation rate and base, because of larger gifts—but from a shrinking pool of donors.

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The United Way believes that donors give to the United Way and other charitable organizations, first and foremost, to make their communities better places to live and work. We understand, however, that tax incentives also play a role in encouraging charitable giving. Under the current two-tier charitable tax credit, donors are eligible for a tax credit of 6.16% on donations of up to \$200 and 11.16% on donations in excess of \$200.

The net impact of this incentive on the cost of charitable donations has changed over time with changes in federal and provincial income taxes. Ten years ago, the

federal and provincial governments effectively partnered with Ontario donors on roughly a 50-50 basis on individual charitable donations above \$200. In recent years, federal and provincial personal income tax rates have increased the disposable income available for charitable donations and other purposes. However, they have also had the effect of increasing the net cost to donors of charitable giving. For example, for lower- and middle-income earners, the combined federal-provincial contribution to charitable donations declined from 43% in 1995 to only 37% in 2001. Ontario's share of the cost of charitable donations made by lower- and middle-income earners has declined from 15.4% to 10.2%.

The United Way understands that under the new tax-on-income system, Ontario has the flexibility to enhance the block of provincial non-refundable credits, including tax credits for charitable giving. A number of options are available to enhance the tax credit.

(1) Eliminate the \$200 threshold. Doing so would simplify the charitable tax credit and ensure that all donations regardless of size are entitled to the same level of support.

(2) Reduce the \$200 threshold. Lowering the threshold to \$100, for example, would reduce the net cost of charitable giving and encourage those presently giving less than \$100 to increase their annual gifts.

(3) Add a new tier that provides large charitable donations with a tax credit at a higher rate, for example, a supercredit for superdonations.

Enhancing the charitable tax credit would help Ontarians invest in their communities through community-based charitable organizations such as the United Way, provide additional tax relief and incentives to people who make charitable donations, boost support for the charitable sector and reduce the erosion in the charitable donor base by encouraging additional giving. Depending on the option selected, the enhancement of the charitable tax credit could encourage additional giving.

In pursuit of these goals, we respectfully make the following recommendation: that the provincial budget boost support for Ontario's charitable sector by enhancing the charitable tax credit through elimination or reduction of the \$200 threshold and/or the provision of a supplementary credit for super donations.

The Canadian Centre for Philanthropy and the Association of Fundraising Professionals have worked jointly with the United Way in recent months on the issue and support this recommendation. In your package we have included letters from the association and the centre. They believe, as we do, that an enhancement of the charitable tax credit would be a significant long-term benefit to the charitable sector and to the community agencies and vulnerable Ontarians that we serve.

That concludes our submission. Thank you again for this opportunity to address you today and we would be pleased to respond to questions.

The Chair: Thank you very much. We have a minute and a half per caucus. I'll start with Mr Kwinter.

Mr Kwinter: Thank you very much for your presentation. As I understand it, your donor base is shrinking but the dollar amount is increasing.

Ms Connell: That's right.

Mr Kwinter: Which implies that you're getting most of your contributions from corporate donors. Is that not true?

Mr Bill Morris: Actually, corporate donations are down somewhat. What we're getting is bigger donations from the same pool or a smaller pool.

Ms Connell: Individuals are giving but they're giving larger amounts. It's a smaller pool from which we pick.

Mr Kwinter: That's what I don't understand. I thought the problem would be that you're not getting enough people contributing, and if you had a tax credit, more people would contribute. If individuals are giving larger amounts under the present tax situation, why do you have to give them a greater incentive if they're already giving larger amounts? I just don't understand that.

Ms Sandra Morris: It's that question of the erosion of the base. The annual increase in total charitable giving is the result of larger gifts from a smaller and smaller pool of donors. So our thinking was that indeed you would want to examine the tax incentives for charitable giving with a view to the impact they might have on that donor base. In particular, the reduction in the current \$200 threshold is an idea that suggests itself. It would have the effect of increasing the overall incentive for charitable giving and, as Helen mentioned, could provide an added incentive for the significant number of people who are presently donating fairly small amounts to boost their annual contribution.

Mr Kwinter: I can understand that.

The Chair: I have to go to Mr Christopherson.

Mr Christopherson: Thank you for your presentation. It's not easy being the last one at the end of a long day, but you had an excellent presentation.

Ms Morris: It's harder for you.

Mr Christopherson: Well, you held everyone's attention and that says a lot.

I want to deal with the issue of housing. I think it's interesting to point out that you talk on page 5 about what Quebec is doing in terms of matching two thirds of the federal dollars for housing in their agreement versus the \$20 million, which is a pittance, quite frankly, in terms of the overall need, but what's important and what I want to underscore is the fact that it's the Quebec. In a number of issues, we've had Quebec used as an example of a progressive government that has done a number of significant things, including child care services and others, yet they're also one of our major competitors. So it's not a question that the government can't do these things because they won't be competitive any more when one of our key competitors continues to be very progressive on a lot of fronts and still remains extremely competitive, both in the national context and internationally.

Also, you said we need at least 15,000 new rental units just to deal with the population growth. That's not

dealing with the backlog, I imagine; that's just dealing into the future. I know in our time in office we didn't meet all of the need, and we created 65,000 units. We were the last government in North America providing them. Where are we going to be if this isn't addressed, say, for another term of government? Let's say there's a snap election and the nightmare comes true and we've got these guys again. Where are we going to be in five years if we continue to see this issue ignored?

Ms Connell: It's difficult for us to speculate exactly where we'll be in five years, but I think the reason we're here today is that we strongly believe that money invested in housing now is a great investment in Ontario's future.

Mr Hardeman: Thank you very much, Helen, for the presentation. I want to say I totally support the principle of trying to put in tax incentives to create the ability or the incentive to donate more.

I wanted to talk just quickly about the housing, as Mr Christopherson did. When I was on the committee that went around the province to review the Tenant Protection Act, which is presently replacing the former government's rent controls, we made a visit to London. Your being from London is the reason I ask the question. We visited London. I think it was the only centre in the province where, when we talked about taking off the controls and only applying them every time a new tenant came into the apartment, all the landlords objected. They wanted to maintain the right to be able to increase their rents to the allowable limit because they had so much housing stock that they didn't want. They couldn't get the allowable rents for their units. Has that dramatically changed in London now?

Ms Connell: Yes, it has changed as the housing problem has spread across the province. I think part of it is because affordable new units aren't being built, and also the ones we're losing to condominiums. But we are definitely now below that 3% threshold. So we've gone from a city with an abundance of housing to a city where there is an issue, especially for family housing, getting affordable, decent family housing.

The Chair: With that, I have to thank you on behalf of the committee for your presentation this afternoon.

I would like to inform the committee members who will be travelling by bus tomorrow that the bus will be leaving at 7:45—that's kind of early—in front of Queen's Park for Cobourg.

Mr Spina: Mr Chair, I have a request which I think would be helpful to all members of the committee, and I'm not sure how long it would take research to look into it. To try to put everything in perspective, I'm wondering if we could get a total of dollars that has been requested by the various delegations. I know it's easy to eliminate the duplications. Obviously you don't take every school board's or federation's request. It's easier to pick off the large ones, the associations. Some of them tend to be fairly similar. But if we could get some idea—

Mr Larry Johnston: When would you like that by?

Ontario stopped funding such programs in the early and mid-1990s. Originally, the federal government hoped to lever the matching new funding contributions from the provinces to make this a \$1.3-billion program. The provinces, however, won the right to flexibility and may count their existing programs and contributions from municipalities or third parties. Ontario's share of the federal funds is \$245 million. So far, Ontario's only new contribution is to forgo \$20 million in PST on construction materials. In contrast, Quebec is matching two thirds of the federal dollars with new funds.

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Ms Connell: Yes, it has changed as the housing problem has spread across the province. I think part of it is because affordable new units aren't being built, and also the ones we're losing to condominiums. But we are definitely now below that 3% threshold. So we've gone from a city with an abundance of housing to a city where there is an issue, especially for family housing, getting affordable, decent family housing.

The Chair: With that, I have to thank you on behalf of the committee for your presentation this afternoon.

I would like to inform the committee members who will be travelling by bus tomorrow that the bus will be leaving at 7:45—that's kind of early—in front of Queen's Park for Cobourg.

Mr Spina: Mr Chair, I have a request which I think would be helpful to all members of the committee, and I'm not sure how long it would take research to look into it. To try to put everything in perspective, I'm wondering if we could get a total of dollars that has been requested by the various delegations. I know it's easy to eliminate the duplications. Obviously you don't take every school board's or federation's request. It's easier to pick off the large ones, the associations. Some of them tend to be fairly similar. But if we could get some idea—

Mr Larry Johnston: When would you like that by?

Mr Spina: I don't know. Do you want to work all night, Larry? Just whenever you can, but certainly I think before we get to our proposed deliberations on our recommendations and report to the minister. It would just give us some perspective. If we're looking at making recommendations to the minister for a budget, then we want to know what people have asked for. We should have some idea of those totals. That would also give us some idea on what recommendations to make in terms of priorities to the minister.

The Chair: We'll see what research can come up with.

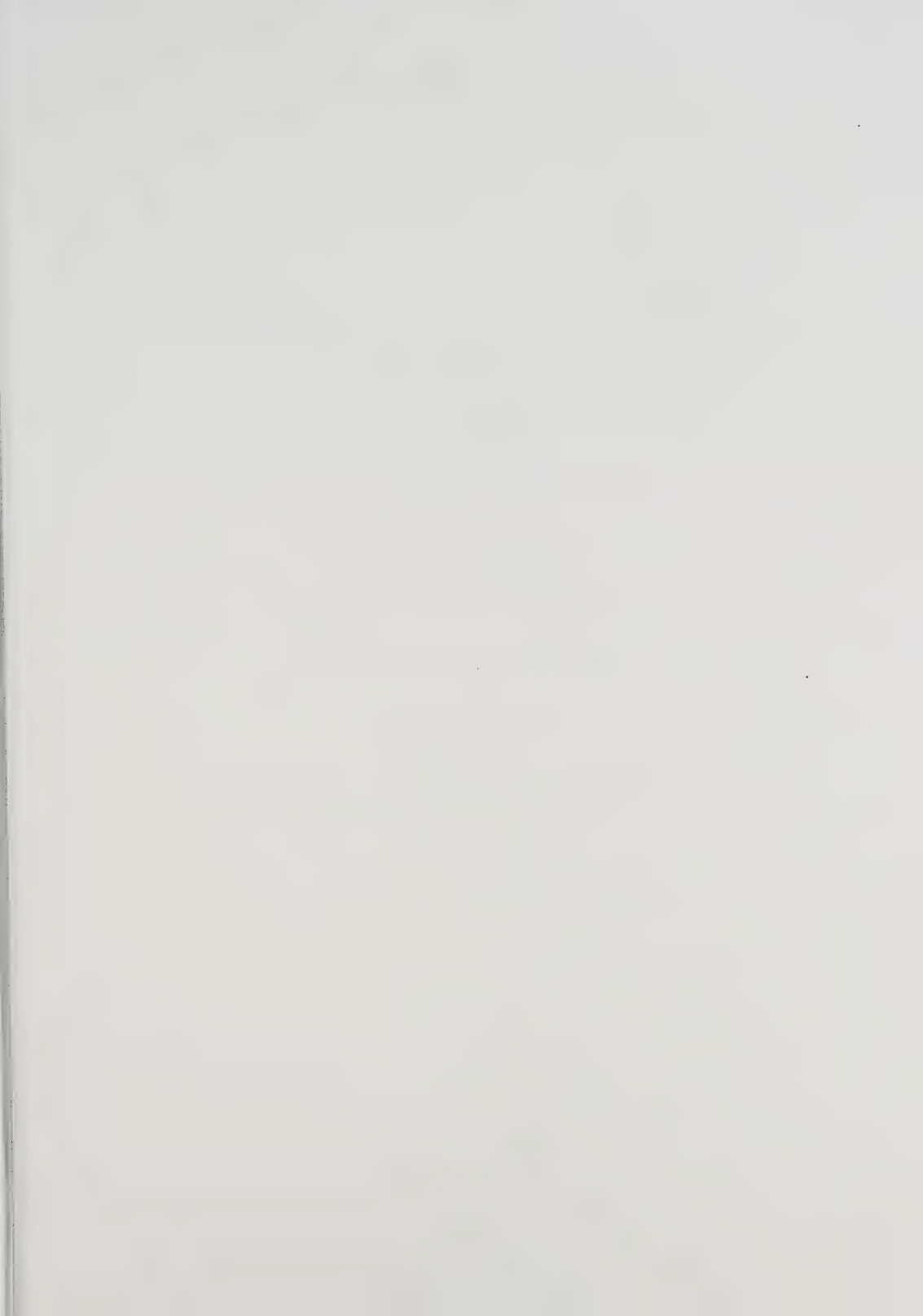
Mr Christopherson: Before you pass anything, I think there's nothing wrong with identifying the need. I'd also like to identify the greed. So in addition to all the requests for additional funding, could we also do a summary of all the requests for further tax cuts that have been made?

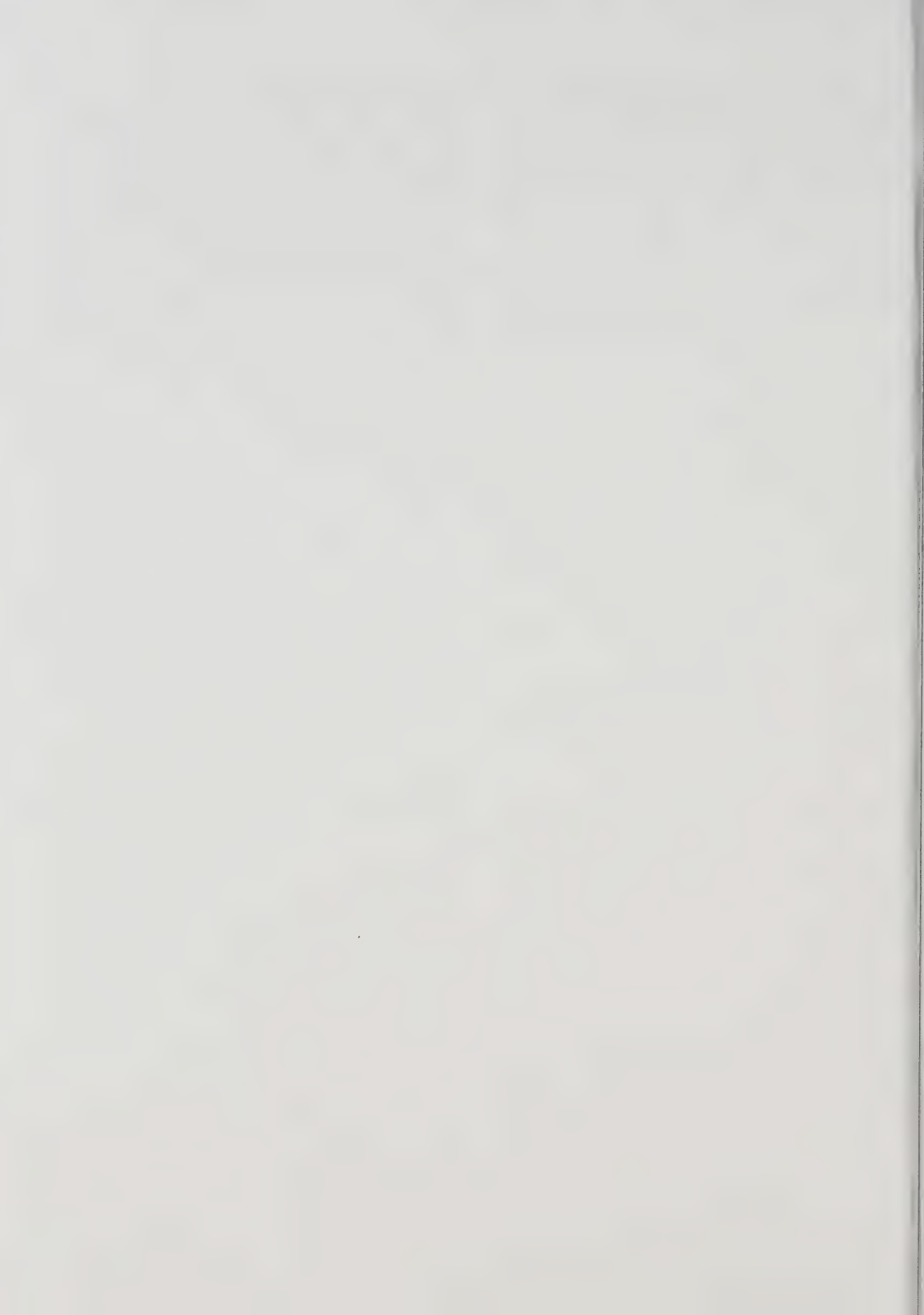
Mr Spina: That's fair.

The Chair: All right, we'll try to give you some figures in the near future.

With that, this committee is adjourned until 10 o'clock tomorrow morning in Cobourg.

The committee adjourned at 1802.





STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Mr Marcel Beaubien (Lambton-Kent-Middlesex PC)

Vice-Chair / Vice-Président

Mr Doug Galt (Northumberland PC)

Mr Marcel Beaubien (Lambton-Kent-Middlesex PC)

Mr David Christopherson (Hamilton West / -Ouest ND)

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Second Intersession, 37th Parliament

Assemblée législative de l'Ontario

Deuxième intersession, 37^e législature

Official Report of Debates (Hansard)

Wednesday 6 March 2002

Journal des débats (Hansard)

Mercredi 6 mars 2002

**Standing committee on
finance and economic affairs**

**Comité permanent des finances
et des affaires économiques**

Pre-budget consultations

Consultations prébudgétaires



Chair: Marcel Beaubien
Clerk: Susan Sourial

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 6 March 2002

Mercredi 6 mars 2002

The committee met at 1000 in the Columbus Community Centre, Cobourg.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Marcel Beaubien): Good morning, everyone. I'd like to bring the standing committee on finance and economic affairs to order.

Mr Doug Galt (Northumberland): On a point of order, Mr Chair, if I may: Just to welcome the committee to the great riding of Northumberland and in particular to the town of Cobourg. I appreciate the fact that the subcommittee saw fit to have one of the stops here in Cobourg. I think it's maybe four years since we've had a standing committee visit our community and, on behalf of the constituents of Northumberland, we really appreciate it.

The Chair: It's always interesting to see different parts of the province; there's no doubt about it. Thank you very much.

AUTISM SOCIETY OF ONTARIO,
UPPER CANADA LOCAL CHAPTER

The Chair: Our first presentation this morning will be from the Autism Society of Ontario, Upper Canada Local Chapter. I see that the presenters are comfortably seated. Welcome, on behalf of the committee. Could you state your names for the record, and you have 20 minutes for your presentation.

Mrs Joy Seguin: My name is Joy Seguin. I am my son Andre's mom. Sitting next to me is my son Andre's grandma, Annette Bickerstaffe.

Good morning, most honourable members of the committee. First I'd like to take this opportunity to commend you for releasing funding for our most vulnerable citizens and recognizing the need to do so.

I am here today in the hope of bringing to your attention a current policy that restricts a select group of our most vulnerable citizens from becoming integral members in our communities and affecting the health and development of children with severe behaviour. The 701 RST guide, Transportation for People with Physical Disabilities, dated May 2001, is very restrictive toward my son Andre and individuals like him, who are considered non-physically disabled.

My son is 15 years old, a young man with autism. Andre has serious behaviours, which limited his and my outings into the community. Andre would not walk by my side to go for a simple walk down the street, grocery shopping or simply to the corner store. It wasn't unusual for Cornwallites to see me on the floor in the middle of a shopping mall, legs wrapped around my son to protect him from smashing his head on the concrete floor or biting through the skin of his hands, all while I sang gently and prayed that no one would report me to children's aid, all because unexpectedly and unpredictably he had an outburst.

After a few of these episodes, I thought, "There has to be a better way." Sure enough, I was able to acquire a heavy-duty steel stroller. Of course, an application was completed with my son's pediatrician's support. Now we were going to paint the town red. We'd go for our walks, not side by side or hand in hand, but nevertheless we still went for our walks. We'd stop to watch other neighbourhood children playing or stop to talk with other children and their families whenever we met them.

Then came winter and, unlike this winter, we had snow, lots of snow. I sat Andre in the car, buckled him up, folded what felt like a 50-pound stroller into the trunk—it didn't matter; the freedom this stroller provided outweighed its clumsiness—closed the trunk, got into the car and away we went shopping. We arrived at the shopping mall; I parked the car in what seemed to be the only available spot in the parking lot, retrieved the super-duper freedom stroller, placed Andre in the stroller and began to make my way to the shopping mall doors.

I looked up and, to my dismay, I realized that I had found the only available spot in the parking lot, and of course it was in the last row. It must have taken me 15 minutes to plug through the parking lot in 3 centimetres of snow. By the time I arrived at the entrance doors of the mall, Andre was fit to be tied. He was flipping out and not a happy camper. After a few of these adventures, again I thought, "There has to be a better way." Sure enough, I applied for and received a handicapped parking permit through the Ministry of Transportation. I didn't always need it, and I still only use it when it's absolutely necessary.

Through the years, my son grew and grew to 5 feet, 4 inches, and 190 pounds, and so did his behaviours, which became more intense and powerful. His outbursts continued to be for the most part unpredictable. Our outings

in a regular vehicle became limited. I was no longer willing to risk a concussion or his head going through the passenger window, or a blood-splattered vehicle by his hitting his face on the dash, or to risk a serious accident with his legs and arms flailing, causing me to lose control of my vehicle. Again I thought, "There has to be a better way."

Sure enough, upon discussing with friends who have a child with a disability, they suggested that as long as we purchased a van for transporting our son, we would be eligible for a retail sales tax refund. In January 2000 we were in need of purchasing a family vehicle anyway. It had been 10 years since our last purchase, and 2000 was the year to invest for another 10 years. My husband and I discussed the benefits of purchasing a van. I, as the main chauffeur for my son, would be more willing to risk going out in the community with him. I was no longer physically able to position Andre in the back seat, the centre of a regular vehicle. Trips from Cornwall to Ottawa to specialists would be less traumatic, visits to grandmas or aunts and uncles would be more frequent and I, as the driver, would be safe from losing control of the vehicle. If—no, when—Andre had another outburst because of my turning right rather than left, I thought, "So what? Big deal. He can't hurt himself or me when seated in the middle seat of the van." His head couldn't reach the sliding door of the van, and I'd have time to find a safe place to pull over and calm him down before proceeding to our destination.

My husband and I weren't prepared to spend an extra \$1,833 to upgrade to a van, but with the retail sales tax refund we would have been on budget. We thought, "Wow, what a wonderful province we live in. Our government recognized the need to assist us with our freedom stroller and then a handicapped permit, and now we are going to continue to help our son with help from our government by being reimbursed for the retail sales tax on our van." Not.

In February 2000, we purchased the van, because that's what you have to do before applying. We completed the application with my son's pediatrician's support, and two years ago less two days, on March 8, 2000, we received the Ministry of Finance statement of disallowance of refund claim. Yes, I appealed the decision, not once but twice.

In August 2000, the response from the ministry office stated first that Ontario regulation 1012 of the act was never intended to assist all persons with varying degrees of infirmity but only those severely disabled persons whose condition satisfies the requirement of the legislation. Second, a vehicle is not considered a personal mobility aid similar to a wheelchair, required both inside the home and out.

The Ministry of Finance was right on both counts—half right, that is. My son's condition may not satisfy the permanent physical disability requirements of the legislation, but I assure you he is considered to have a lifelong, permanent, profound disability. True, the van is

not a mobility aid that is required inside the home, but I assure you the van is required outside the home.

From September to December 2000, I continued to send letters to my MPP, who in turn sent copies to the then Minister of Finance, Ernie Eves. By this time, I was told that my next appeal would have to be to the Superior Court of Justice. All I could envision was dollar signs. I had already spent quite a bit on long-distance phone calls and faxes, plus I knew I could kiss my \$1,833.60 out of my brand-new Windstar window. Financially, I wasn't willing to incur more costs associated with this common sense cause. That's when it no longer became about the \$1,800 but about other families like mine in the province of Ontario. My family can't possibly be the only family who applied and was denied the RST refund.

This got me thinking. How many parents will apply and be denied the RST refund because their child doesn't fit? How many parents like myself will think long and hard before bringing their child 100 kilometres to a specialist or simply five blocks away, and in turn not receive the necessary treatment for that child's well-being? How many parents will think long and hard before leaving their house to visit family or friends? How many parents will choose to stay imprisoned in their home rather than risk their child's head going through the car's window, or feet and arms flailing causing near-tragic accidents?

Then, another potential glitch: in January 2001 my heart skipped a beat when I learned through the news that Minister Eves was appointed to a new position and that the newly appointed Minister of Finance would be Jim Flaherty. You can imagine how I felt: an entire year of communications possibly being misplaced in the shuffle. Being a somewhat skeptical person—and most parents who have children with special needs are skeptical, you know—I faxed a year's correspondence to the office of the newly appointed Minister of Finance, Jim Flaherty.

1010

From January to September 2001, I continued to communicate with the minister's department, although I admit I was starting to lose some momentum, playing telephone tag and somewhat getting the sense that "Sooner or later Mrs Seguin will go away." I almost did. With all other doors to open for my son and children like him, I almost did give up. But then I was asked to attend an Easter Seals conference in Toronto. Then I met W. Mitchell. Not only was Mitchell a motivational speaker, but he had overcome unimaginable obstacles. His statement to the audience was, "It's not what happens to you; it's what you do about it." This is exactly what I needed to hear at that time. It's not what happens to me; it's what I do about it. This empowered me to fuel the momentum.

I contacted my local Upper Canada autism chapter and explained the situation. They, in turn, supported my endeavours. As luck would have it, that same month, October 2001, I noticed in our local newspaper that Minister Flaherty was attending a function in my hometown of Cornwall on November 1. Somehow, I had to be invited to that function.

I attended the dinner event and met briefly with Minister Flaherty upon his entering the room. I provided a brief verbal summary and a package for his perusal. Minister Flaherty acknowledged the restrictiveness of this act. He assured me that within a few weeks or so, someone would be in touch with me. This is how I learned about the pre-budget consultation process here today. I submitted my proposal to the clerk of the standing committee and crossed my fingers that I would be selected to have a chance to bring this issue to your attention.

Most honourable members, certainly we have all at one point been humbled into asking for help in some shape or form. As a parent of a child with a disability, I have been humbled on several occasions, and I can say one doesn't get used to it. So once again, I swallow my pride. I'm not asking to be reimbursed the \$1,833.60. A decision was made under the current legislation. I may not like it, but I will live with it. I'm not asking that potential new legislation be retroactive in any way whatsoever. What I am asking is that you seriously consider modifying or adjusting the Retail Sales Tax Act to include families like mine. Find a means to fit our children within your current budget consultations so that families are encouraged to participate in their communities.

Over a 10-year period my family's disallowance of refund claim would amount to \$183.36. This amount is worth the investment in the long run. This will enable families to transport their child safely to and from much-needed doctor's appointments to receive much-needed treatment. This will enable families to get out in the community and be less prisoners in their homes, and believe me when I say that I know what it's like to be a prisoner in my own home.

Most honourable members, you have the power to make a difference for several families within our province of Ontario. You have the power to help us be in full sight and in the minds of our society. Help us to help our children.

Finally, most honourable members, thank you for providing me the opportunity to bring this issue to your attention.

The Chair: We have a couple of minutes per caucus, and I will start with the opposition.

Mr Ernie Parsons (Prince Edward-Hastings): Through our experience as foster parents, we've had a little involvement with children with autism. In my role in the Legislature as the Liberal critic for disabilities, I am increasingly convinced that this government likes visible, but not invisible, disabilities. I would note that although this meeting is open to the public, it is not open to an individual who is deaf.

For your son's autism, I can't picture the challenges you're facing in your role. I'm struggling because what you're saying just makes common sense. I really can't question you, but rather applaud you for it. I'm sure you find it frustrating, and I suspect you would agree with me that we need to completely redefine what a disability is.

Mrs Seguin: Most definitely. In the case of autism, we're finding more and more that often they don't fit in many areas. As recently as last week I received a notice that children like my son no longer fit the mandate for community care access service.

Mr Parsons: There is a program that government funds to support children with autism, but I note that ironically it ends at age six.

Mrs Seguin: That's right.

Mr Parsons: So obviously autism ends at age six. It cures itself at that point.

Mrs Seguin: Exactly, and then they're cured.

Mr Parsons: But you're telling me it doesn't.

Mrs Seguin: No, it doesn't end.

Mr Parsons: I think that people with disabilities are poorly served by the definitions in the current legislation. Thank you for coming.

Mrs Seguin: Thank you for hearing me.

The Chair: Mr Parsons, there's one thing I would like to clarify. If anyone wants to present in front of this committee at any time and they have disabilities, if they notify the clerk, they will be provided the services by this committee to make sure they are heard in front of this committee, and I think that would apply with any standing committee of the House, just to clarify the record.

Mr Parsons: On a point of order, Chair: I note that if an individual who does not wish to present but is a full Ontario citizen wishes to come and hear the presentations, they would not have access to interpretation, and I believe they have the right to simply come and hear, as does every other citizen in this province.

The Chair: The point is, the committee has to be notified that people need these, and we'll leave it at that.

I'll go to the government side.

Mr Galt: This is the third year I've sat on this committee. I'm not sure how many hundreds of people and presentations I've heard, but you have presented in such an exceptional way one of the better presentations I've heard. It could have been extremely emotional—and we've heard very emotional ones—but you were very measured, very calculated and laid the facts on the table, and I congratulate you for it.

Yes, we're responsible. We've been here for six years plus. A lot of these things have evolved over time. Parties of other stripes have been in office and could have changed it. I for one, sitting on the government side, am very empathetic to what you're telling us. You've come with a message, not so much for you personally right now, as you said at the end, but just please change it to recognize a particular group. I think that's very honourable on your part. You're not pleading. You'd love that \$1,800, and I can understand why. I'm sure that having a son with a challenge has been very expensive for you and your family, and this is one area that, as a government, could be looked at. I can understand that whenever this regulation was written, and probably research could tell us—I don't think it matters that we point fingers at who did it, but I can understand how it

got written, and probably you can. As time goes on, you start to identify some of the cracks in regulations or legislation that need changing. Certainly with my comments on the record, that will go forward; staff are here. I'd be prepared to take it even further, if need be.

I don't know that I have a question for you. I'm not sure what I would ask you, but I just wanted you to know how impressed I've been with the presentation. I don't think I've ever said that to anyone else making a presentation to this committee.

Mrs Seguin: Thank you. I appreciate that. You're absolutely right: I think that just bringing this to your attention—I'm not sure that any other parent has ever done that before. We're accustomed to being denied. It is just a daily routine. I don't think many parents have taken it to a first appeal and a second appeal. Then to go to a third means money right away, and who can afford it? I am also a literacy worker during the day, and I know for a fact that one in four Canadians cannot even read their social insurance number, so they won't pursue it to this degree. I'm hoping maybe I can be a representative for those people and those families who really need to get out in the community.

The Chair: We've run out of time, but on behalf of the committee, thank you very much for your presentation this morning.

1020

UPPER CANADA DISTRICT SCHOOL BOARD

The Chair: Our next presentation will be from the Upper Canada District School Board. Could you state your name for the record, please? On behalf of the committee, welcome.

Mr Arthur Buckland: My name is Arthur Buckland. I'm a trustee on the Upper Canada District School Board. I would like to give a little background first, and then make some comments on financing and grants, on amalgamation, on new education and finally on a problem that could mean millions of dollars for our board, which you can help us with and which won't cost you anything.

Thank you for allowing me to be on the agenda. It is an honour. I'm always filled with trepidation as to whether this is a good idea or not when I hear the Chairman tell me how many sessions and how many presentations are all thrown into this hopper and then having to follow such a personal and poignant presentation by Joy Seguin. You realize that she is quite a leader in her own community, a spark plug in the special-area.

I feel personally that I'm a success story from public education. I have graduation certificates and degrees from Mohawk College, Ottawa U, Carleton U and OCE. I have children in the system and I now have grandchildren in the English public system.

Our board, in terms of background, is a very large board that runs along the St Lawrence River, from Gananoque to the Quebec border, and then circles around

Ottawa, up to touch Renfrew county; about 34,500 students; pockets of growth near the Kanata area; declining enrolment in the communities all along the river. We suspect it's the water; we're not sure. Three sizable communities only: Cornwall at 47,000, Brockville at 20,000 and Smiths Falls at 10,000, and the rest is spread out. So we're quite a spread-out board and a rural board.

I would like to make some comments about grants. I know you are giving the money, granting the money, budgeting the money for education. It flows into that department and then it floats down the river to us. I would like to make some comments which are particular to our board.

One of the problems with grants—and I do congratulate you on the learning opportunities and the continuing education grants which are in place in the education field—is comparison. When we compare with a board in our same boundaries, we're at \$246 less per student and another, sister board is at \$1,832 more per student. This is the conseil scolaire de district de l'est de l'Ontario. It's a board which grew out of our old Stormont, Dundas and Glengarry board. So it would mean a difference of over \$8 million, or over \$60 million, and wouldn't that make Ottawa-Carleton jealous, if we had that extra money that they have? In one sense, thinking about the \$1,800 more that the French public board gets, which really came out of our own board, we might have been better to follow them rather than moving where we are.

Educational change seems to take a long time. For example, I just want to comment on the rural and remote grant. When it first came out we looked at it and said, "It doesn't seem very fair. Here we are a rural board, 110 buildings, 49 wells in our schools, and yet we don't get anything for remote and rural. We look at Kingston, with its high cultural centre of Queen's University, St Lawrence College, all the prisons, and they got one and we didn't." So we tried to make our point through the director, through our trustees' organization, through individual trustees. As chair and vice-chair, in five years I was never able to meet the people who were Ministers of Education to present our case.

Then last year the grant came out. "Yes, you do get a rural and remote." So we looked at the grant regulations and we had received \$29 per student. A board with the same geography received \$49 per student and another, sister board in our area had \$103. So we began to question not having a grant and then questioning the actual allocation.

There are several specific areas I just wanted to mention. One is transportation. What has happened? Yes, we're happy with the increase you've given us. It puts us \$1 million from balancing at the moment. Transportation is a very complex issue. Before the amalgamation it was a different set-up. There were only two boards then. The separate board received a high percentage of 90%, 95% funding and we received about 40%. After amalgamation, with a 3% cut, 3% of 5% is quite a bit less than

3% of 40%. So we have suffered since then on that particular one, transportation.

We have economized. We have sold our fleet. We've gone to double busing, we've gone to combining routes, yet we still can't balance our transportation budget. We have increased the walking distance to two miles while our sister boards, our neighbouring boards, have front door to school door transportation. In the case of youngsters, when you are considering winter travel and so on, program doesn't become as important as transportation, so we've lost 300 students. If this continues, in 10 years there really wouldn't be an English public board in this area. This is a serious problem for us. We see there has been some change and we hope—and I recognize it's a complex thing—that there is further change from that.

Another area is school operation. We have 110 buildings, fairly old buildings, some in serious need of maintenance. We need some new buildings. You know about the heating costs and high energy and so on, so that's an area that would require special consideration for us. In one area of budgeting where we had the maintenance, we said, "Let's sacrifice some long-term maintenance and put it into programming." So we did that and the ministry said, "Aha, you didn't spend the money we gave you for maintenance on maintenance," and they cut us back the next year, which did not seem to be a reasonable sort of thing.

Administration is another area we need some help on from you people. We are a very wide, spread-out board. We have reduced superintendents from 15 to eight, so there is less administration. We are crowded in a particular admin building. There is no funding for any new admin building. It would be helpful to have some amelioration there.

Another area in programming I would like you to look at is immersion. Half of our board is in the east, the Glengarry-Stormont area. Retailing requires the French language, and moving into other positions of government requires the French language. We would like you to look at that immersion and, in the area of busing, in the area of programming, be willing to provide some extra funding so that the motivation would be there for programming and for our students to begin the immersion and continue the French immersion.

Another area is special education. Tied into transportation, it becomes a problem for us. As group homes have moved into our area, in some cases we're at a stage of \$35,000 for a wheelchair van to transport a child to Ottawa, or from Ottawa to Cornwall, or in our own area, after the budget has been struck, after the grants have been set forth. At times there is a transfer of students in the special-ed category from other boards to ours. We agree that we're specialists in it. We're willing to perform that. We do hope we would receive the funding we need for that.

Amalgamation: I would like to deal with the next two areas as something sort of longer-term, as something you're going to have to be watching for in terms of socio-

economic problems. The amalgamation in our area was four school boards, eight counties, coming together over this 170-mile east-west axis and running into the north. It was really an educational earthquake in 1997 when this happened in our area. As a result you have several types of people, people from the offices in Perth and Hawkesbury and Cornwall, when the office was established in Brockville, who then began to move to work in those head offices, to travel back and forth. Some of the younger ones without seniority were laid off and some received transition funding. Those who travelled, you could see the extra hours—two hours from Hawkesbury per day added—having an effect on quality life in family life. The people left behind, who had run out with their transition severance pay at 50, 55, found they really weren't able to pick up a job in the Cornwall and Hawkesbury areas, and so there has been a decline in employment opportunities. It has been estimated that \$10 million came out of Cornwall as a result of moving to the head office in Brockville, perhaps \$2.5 million out of Hawkesbury and more than that out of Perth. Some might say that's good management because the money moved from Liberal areas to Conservative areas, but it really has had a serious socio-economic effect on the area.

1030

I'd like to look at the new education as a longer-term thing as well. If we are moving to have external tests on all things, we're going to have to be aware of the special-education student and what we call "the low-general student" as a graduate. These people are going to be moved out of the stream, and the funding opportunity is going to have to be there for those students. The transitional approaches of special ed, through your continuing-ed funding, would be good as some approach which would allow special-ed students to be working and to be supervised, not necessarily in total inclusion but in separate agencies as well would be useful.

The final thing is the area of the court case at the federal level. Perhaps you're all familiar with it, but I would just review it. A group said there's a glitch in the income tax and perhaps school boards could get a rebate on GST. We looked at it, and we said, yes, busing really is a private enterprise and so there should be a rebate on GST. Our former board, Stormont, Dundas and Glengarry, opted into this court case. Boards from across Canada appealed, and the court said, "So many people have appealed that we'll just take one block and that decision will be applied to all others." We did win the appeal, that the GST was to be rebated to the first group, that is, the 29 school boards in Quebec. Then Mr Martin and his boys said, "Just a minute. This is a \$70-million case. This is not good. What we're going to do now is make this retroactive to the beginning of GST."

We have appealed that through Jean-Marc Lalonde's office, and I would ask, particularly the Liberals, if you could speak to your federal people to at least say those boards which applied for this GST be permitted to have the rebate even if they're not all going to get it. The 29

school boards in Quebec have received it. We applied at the same time, and we should also be part of that.

That concludes my presentation, gentlemen. Thank you very much for giving me an opportunity to say a few words to you about some of our problems.

The Chair: Thank you very much. We have time for questions. I'll divide the time equally among the two parties, about three minutes per caucus. Mr O'Toole.

Mr John O'Toole (Durham): Thank you very much, Art, and thank you for your service as a lifelong learner and as a trustee. I was a trustee for a couple of terms, also with a very large board with the same kinds of problems: diverse, large geographically but sparse population, busing is a major issue, transportation is a huge issue. I certainly appreciate and understand many of the points you're making.

I read with interest the reference you made to the GST rebate. Not to be in any way partisan here, but we were watching it. Grant Andrews, the director of education for our board, actually wrote the lead memo and has responded to the ministry federally and provincially. I'm quite aware of the issue on his behalf. You're right, they retroactively cut you out. Even though you won the case, they retroactively passed legislation, which is not the right thing to do, because education is not just a community issue, it's a provincial issue. It's a very important part of the infrastructure in fact of our future lives. Without that kind of knowledge-based economy—we're all going to need those kinds of productive people in the future to help generate the opportunities for us to have a tax base, really. It's that simple.

I want to refer to a couple of things. As I said, as a trustee I watched the issues quite intensely, including the amalgamation of school boards, which was referred to as the Sweeney commission. John Sweeney, who was a former member of the Peterson government, was appointed by David Cooke of the NDP government to look at governance in Ontario, the number of school boards, how much we're spending on all of this paperwork and meetings. That process was started before 1995. You're aware of that, the Sweeney commission?

Mr Buckland: I'm aware of that. The Sweeney commission proposed us amalgamating with Prescott and Russell and then Leeds-Grenville-Lanark—

Mr O'Toole: We had the same issues in my area where the municipal boundaries didn't quite line up, and we came up with quite a surprising response to that whole thing. We ended up with four boards, which are French, English, public and separate. Some would argue that there should be some harmony in those boards. I, for one, would support that there's some more efficiency in that administrative model.

The budget for education is about \$14 billion—\$13.8 billion actually—and there are about two million students. That's \$7,000 per student. If you have a typical school of 500, that's \$3.5 million for that school of 500 kids. I ask you, as a trustee, to go back, with the class sizing issues, and I put to you—and I've chaired four

school budgets—that you can't spend the money. You can pay for a new school—

The Chair: Question, please.

Mr O'Toole: —but it goes in at the top and there's none left for chalk in the classroom. My question to you is, is there another way—

The Chair: I'm sorry, Mr O'Toole, but there's no time.

Mr O'Toole: —school-based funding.

The Chair: I have to go to the opposition. Mr Parsons.

Mr O'Toole: There's no third party here today.

Mr Parsons: Thank you. Interesting presentation. The mantra for going to the new funding model was equity of funding, that every student would receive the same number of dollars across the province, or equity of opportunity, that every student would have access to the same. You're saying that neither one exists for your board.

Mr Buckland: When we compare with the others, yes; when you think that funding for the French public board would give us over \$60 million more.

Mr Parsons: Neither has been achieved and in fact there's not equity. The students in your system don't have access to the same busing, the same services as they do, have perhaps older buildings.

Mr Buckland: No, and this is killing us, because we are in competition now. It's set at \$7,000 for each student you get. If you lose one in kindergarten, then you've lost it for 12 years times \$7,000.

Mr Parsons: You said it's 170 miles from one side to the other.

Mr Buckland: Yes.

Mr Parsons: I'm struggling to find the efficiency in running an operation that's 170 miles from one side to the other.

Mr Buckland: It's a heartbreak. The 64 trustees went to 10, so it doesn't have the local connection any more.

Mr Parsons: You've been a trustee for how many years, Art?

Mr Buckland: For 25 years; three different boards.

Mr Parsons: Special education is now funded, if I understand it right, as kind of a snapshot. They look at the number of students with their special needs and there's funding provided for them individually on an ISA grant. As the year unfolds and students move or come in or change their needs, is there an opportunity for you to resubmit to recognize the needs of the student that day?

Mr Buckland: I think there is once a year. There's a tally, and then after that time it's at your own expense.

Mr Parsons: If a child is identified with a special need in October, then they better not demonstrate that need or you can't serve that need till the following year.

Mr Buckland: Another problem is being able to identify it. For example, we had three speech pathologists for our little board of 12,000. Now we have one speech pathologist for 34,000. The child may be transferred or may come into your board and may not be identified for a year and a half.

The Chair: With that, Mr Parsons, I have to bring it to an end as we've run out of time.

On behalf of the committee, thank you very much for your presentation this morning.

1040

TOWN OF COBOURG

The Chair: Our next presentation will be from the town of Cobourg. I would ask the presenter to please come forward; if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Mr Ian Roger: My name is Ian Roger. I'm a professional engineer and I'm employed by the town of Cobourg as its director of operations. I'm the municipal official responsible for the town's transportation infrastructure. I'm here on behalf of the town of Cobourg and the transportation organizations, which the town is a member of, to explain why municipalities like Cobourg need greater funding for transportation infrastructure.

I'd like to start with our transit service here in Cobourg. I understand you gentlemen have already heard the presentation from the executive director of the Ontario Community Transportation Association and the Canadian Urban Transit Association. I would just like to give you a few facts here on what the transit subsidy has meant in the past for Cobourg and what increased subsidy would mean as well for the continued well-being of our transit service.

Prior to 1998, when the transit subsidy was eliminated, the town of Cobourg ran a conventional transit service with two vehicles on the road with a spare vehicle, and we ran a parallel service for people with special needs. We carried almost 120,000 passengers per year up until that point, but when the transit subsidy was eliminated, council was faced with the decision of having to increase funding to the transit budget by approximately 33% or reducing the service. They reduced the service to maintain the same level of funding as in past years. Our two services were amalgamated into a single, accessible service which would still be able to provide door-to-door service for people with special needs.

To do that, we required two buses which were low-floor and wheelchair-accessible. We were able to purchase these in 1997, the last year of the 75% capital subsidy from the province. That got us off on a good footing in terms of providing an accessible service, but because these buses are smaller and were designed for specialized service, their life is limited. Right now, they're four years old and we're finding they're breaking down regularly. This is causing a problem for our service because we only have two accessible vehicles. If one of the accessible vehicles comes off the road, our contractor—we have a contracted service—provides a spare vehicle, but it's not accessible. If people have been waiting for a bus for an hour with a walker or a wheelchair and the bus shows up and they can't get on, this causes problems for them and causes problems for us.

We were thankful for the announcement that the province was getting back into the subsidy business this year with the announcements regarding transit subsidy and had indicated, like all the other municipalities, our five-year needs. We had indicated that we need an additional bus to provide us an accessible spare vehicle, and because of growth in the municipality we are now looking for an additional vehicle.

We recently found out, with the announcement of the amount of funding that's available, that the town is expected to receive approximately \$24,000 for the 2002 budget year. That is on \$400,000 worth of capital needs. The operating budget for the whole transit system I administer is \$350,000. You can imagine the dilemma for council, that we need \$400,000 worth of capital infrastructure for our transit service over the next 12 to 18 months and they're only spending \$350,000 a year right now on operating the existing system. What it means is the town is now going to have to look at a couple of options which will have major implications for the residents and riders of our transit service here in Cobourg.

We currently run a service four times a day between Cobourg and Port Hope, because we have services in the two adjoining municipalities which residents use that aren't available in each other, which we're going to have to look at cancelling. We're also going to have to look at eliminating door-to-door service for people with special needs to give us additional capacity in the system to expand our service. I don't know if you noticed coming into town that we have a new health care centre under construction. There's expansion in employment and commercial in that area and our riders and residents are looking for expansion to that area. We can't do it with the existing rolling stock we have right now.

In terms of transit funding, we appreciate the announcement that there is going to be funding but, like CUTA and OCTA have mentioned, we really feel the need for a stronger commitment in terms of ongoing funding for transit and we need funding at a greater level. We understand there are still discussions with the federal government about their involvement, but from both higher levels of government we need greater input in terms of funding if we're going to maintain our transit systems.

In the area of roads, bridges and other like transportation infrastructure, the town of Cobourg has tens of millions of dollars worth of needs. We have roads that need to be reconstructed, bridges to be repaired and we need a new bridge constructed. A lot of these items have little or no component relating to development charges funding and all of these would have to be funded through the general levy—the local taxpayer.

Prior to the elimination of the transportation subsidy, we had connecting link agreements; we had an urban road rebate, where the county refunded a portion of the funds to the town; and regular road subsidies. With all of those gone now the town is in an awkward position where we're having to look at debenturing on an annual basis the cost of maintaining and upgrading our roads. I believe all the parties agree—federal, provincial and

municipal—that our infrastructure does need major investment for renewal and upgrading. In order to achieve these objectives, municipalities need an ongoing infrastructure program and the program needs to be funded annually. Having some experience with OSTAR and SuperBuild and previously the Canada-Ontario infrastructure works program, the best model we've seen since that time was the original Canada-Ontario infrastructure works program, in terms of funding level and administration.

I would just like to summarize: on behalf of the town of Cobourg and its residents, we would like you to consider increased funding so that the town can maintain its transportation infrastructure and keep our town economically viable like the rest of Ontario. Thank you.

The Chair: Thank you. We have three minutes per caucus and I'll start with the government side.

Mr Galt: Thank you for the presentation. There was something you didn't mention, and I'll just bring it to your attention: with the new dialysis clinic being opened in Port Hope, the need for transportation between the two communities, especially for handicapped, is probably more important than it's ever been with the need to get people to that clinic—I expect, anyway. I haven't had a call specifically from Cobourg, but I have from Port Hope about the services to be able to access it.

You made reference to the roads. I'd like to just compliment Cobourg on what they've accomplished recently. The main corner up near my office—extensive renovations to Division Street recently, as well as the main street, and what has been accomplished there. You've come a long way over the last couple or three years with the changes in the roads.

The thing I did want to mention to you is, maybe that wasn't a large amount that came to you as a direct grant, but in the county of Northumberland, as of last year, the business education tax for industry was down \$1.5 million for the county and also a reduction in education tax for the average household was \$51, which does leave some tax room for communities such as Cobourg to work within. But we appreciate the request you're making.

I'd just make one more comment, about Calgary. They run their rapid transit by wind. It's called Ride the Wind. It's totally operated by the municipality and the downtown core is free ridership. It's roughly 50% supported by fares and the other 50% comes from the municipality; nothing from the province. It's just a comment.

1050

Mr O'Toole: If there's enough time for just one comment: what's the population in the area you're trying to serve? I commend you. I noticed this morning coming in the size of the buses. I think that's smart. I drive around Durham, and 98% of the buses are empty, yet they have to work eight hours, so they drive around. Anyway—no, I'm serious. I watch relentlessly. I commend you for the bus sizing issue.

On the issue of people with special needs: there shouldn't be a route. There should be direct calls and scheduled pickups and it should be a special van. The

idea of one-size-fits-all—you're an engineer and you're able to figure out that spending that kind of capital to pick up two people on a route is totally inefficient and wrong. In fact, it should be a specially equipped van. I'm not trying to tell you how to run it, but I sat on a municipal council for eight years. When the grants were there, the buses were there, and they're empty.

The Chair: I'll go to the official opposition.

Mr Parsons: First I'd like to talk about your roads. As I understand it, when the province downloaded roads, they fixed up and did certain grants. I would like to concur with you that I think the bridges in Ontario are a ticking time bomb. You can skip fixing a pothole but you can't skip doing maintenance on a bridge, and there are horrendous costs associated with it. I'm pleased that you recognize that.

The main issue for me, though, is your transportation for the disabled. At the present time you have door-to-door service.

Mr Roger: We do; that's correct.

Mr Parsons: They have to order how long ahead to have one?

Mr Roger: Generally 24 hours.

Mr Parsons: They have to have their life planned 24 hours ahead, as opposed to the general population who can say, "Let's go to a movie tonight." They have to say, "Let's go to a movie tomorrow night."

Mr Roger: If they want door-to-door. If they feel they're reasonably mobile to go out to the bus stop, then they can go out in their wheelchair and get on at the bus stop at the scheduled time.

Mr Parsons: What does it cost them for the door-to-door?

Mr Roger: The same as getting on at the bus stop: \$1.60.

Mr Parsons: You're saying that, given the funding, given that you haven't even enough to replace a vehicle, that whole program is at risk?

Mr Roger: That's right. Basically our service operates on a fixed route for 40 minutes of every 60 minutes, and in the 20-minute period we'll allow the bus to then make door-to-door pickups. If we're going to be able to expand routes into the growth areas, we lose that time we can use for door-to-door pickup.

Mr Parsons: So the question you have to be asking yourself is, if you cannot pick them up at the door, what happens to them? How do they get to the doctor? How do they get to the hospital? Have you an answer?

Mr Roger: I don't have an answer to that. No.

The Chair: Thank you. Mr Christopherson.

Mr David Christopherson (Hamilton West): Thank you, Mr Roger, for your presentation. I just want to point out how much I disagree with Mr O'Toole's comments about concerns that there are buses running that only have a couple of people and that it's not efficient. That's the whole philosophical difference in how one sees public services. It's one of the difficulties of privatizing a lot of public services because the first thing that goes out the window is anything that's not efficient. If you've got

a really safe community, your police aren't nearly as active in terms of arrests and other situations they're dealing with. Quite frankly, it's rather inefficient to have all that money tied up in staff and capital and it's not really doing anything.

That's kind of the absurdity of it in my mind. If you're a citizen who lives in areas where buses maybe aren't as filled but you're a full citizen paying full taxes, you're entitled to have bus service as much as anybody else. If you can't afford a car or if there are medical reasons why you can't take a car without that bus service, in many ways in terms of a quality of life you're a second-class citizen. The whole idea of public services, at least our concept here in Ontario and Canada, is that as much as humanly possible people are treated equally. I have some real concerns with that concept and I just wanted to get that on the record.

I want to follow up where Mr Parsons left off with your disabled public transit system that you'll have to eliminate. Are you saying that's something you'll have to do or that you have already done?

Mr Roger: No. We previously had a separate accessible service which we wound down in 1998. It was combined with a conventional service. We started operating low-floor, accessible buses on a fixed route with limited door-to-door pickups in a 20-minute window once an hour. Instead of having a bus, an accessible van, like Mr Spina was saying, we stopped running those in 1998 when we lost the subsidy.

Mr Christopherson: I represent a riding in Hamilton. It includes the downtown, where a lot of the disabled and elderly disabled seniors live. We're running into similar problems. Ours hasn't been eliminated but it's been cut back, and the criteria cut back to the point that for a lot of people it might as well not exist.

Again, it's difficult for some of us to accept that we just had the biggest economic boom we've ever had in North America in all history, and during the course of that the disabled in your community and my community are receiving a lower quality of life while others have seen their quality of life increase dramatically because of the thousands of dollars they benefited from with the tax cuts.

What do you think your chances are of getting any increased funding? You weren't getting adequate funding when the boom was on. Now that we're into tougher times, what do you think your realistic chances are? I realize you're not a politician, but as comfortable as you can be in responding to that, what do you think your chances are of getting these problems addressed?

Mr Roger: In terms of dealing with our council on this issue now for the past four years, it's something that, honestly, is 50-50. When council weighs the number of needs it has—police, fire, roads, garbage, all the issues—then they have to make decisions. If this is one, economically, where we're spending a lot of money for a small segment of the population—it's been discussed before and probably will be discussed again—it might be one of the first ones to go.

Mr Christopherson: I gather that's a decision that council reaches reluctantly?

Mr Roger: Yes.

The Chair: With that, I have to bring it to an end as we've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

NORTHUMBERLAND FAMILY BAR COALITION FOR LEGAL AID TARIFF REFORM

The Chair: Our next presentation will be from a coalition supporting tariff review and the Northumberland Family Bar. I would ask the presenter to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Wilfred Day: My name is Wilfred Day. I practise law in this county. My topic is Ontario's legal aid crisis.

"No work of intellectual value can be done by a lawyer for less than \$150 per hour," said the judge. What judge? On January 24, Quebec Superior Court Justice Jean-Guy Boilard ordered the Quebec government to pay \$150 an hour for lawyers defending nine Hells Angels and associates. That's what the judge said while explaining his decision for a Montreal trial to start this month that could last nine months. The lawyers had threatened to quit unless their legal aid fee was doubled.

Today I'm speaking for the Northumberland Family Bar and for the Coalition for Legal Aid Tariff Reform, adding to what Carol Shames told you in the Soo. She gave you the coalition's report and I've given your clerk more copies. By the way, I'm not here for the Northumberland Community Legal Centre, although I happen to chair that board. They have their own presentation.

Northumberland county is a small example of what has happened to the family bar across Ontario. Our young lawyers are gone. We used to be proud that, unlike some places where only young lawyers take legal aid cases, our whole bar shared the profession's responsibility. As Justice Linden wrote last week, "Access to justice for everyone—regardless of income—is a fundamental principle of democracy and the rule of law." But the 15-year rate freeze has made legal aid work unaffordable even for most young lawyers.

The scary thing is that young lawyers are not only fleeing legal aid, they're fleeing family law. Of all lawyers in private practice in Ontario with five to 25 years' experience, 14% have family law as their primary area of practice. Yet of those with less than five years, the juniors, only 8.2% have family law as their primary area.

Outside Toronto, real estate and family law are the two times when people need local lawyers most. Northumberland has 48 lawyers in private practice. Our family bar includes 25 lawyers who either primarily do family law or at least have a substantial family law practice. We range in experience from eight years to 32, with an average of 21 years. So our youngest is eight

years out—no juniors. They call this the greying of the family bar. Over the last few years we've seen six fine young lawyers leave family law, and leave this county, to better themselves in other fields of law.

Senior counsel wonder whether we are being responsible professionals or whether our professionalism is being exploited. When we were asked to take up the cause for a few cases, we did. After all, others need money more than we do. A few years ago we all took some legal aid cases. Today, of the 25 of us, eight don't, only 17 do, and some of the 17 take very few.

1100

The provincial picture is the same. From 1995 to 2000, the plan lost 26% of its participating lawyers. More have dropped out since then. Most lawyers on certificates practise alone or in firms of two to four lawyers. Given their small business scale, they can't absorb volumes of low-paying work. Family lawyers on legal aid panels devote, on average, 33% of their time to legal aid clients. They just won't keep subsidizing legal aid to this extent.

What does this mean for clients? Some clients find it hard to get any lawyer to take their certificate. In Durham, in 2000, one out of five family law certificates were never accepted by any lawyer. In Northumberland we're better off than in Durham and a bit better than in Peterborough and Kawartha Lakes-Haliburton, because we're still sharing the burden to some extent. But our senior lawyers do more than their share. If they walk away, the plan collapses; the few younger lawyers won't be able to pick up the slack. The court won't normally force people to go on without counsel. Cases will be adjourned and a backlog will develop and grow. Not only legal aid clients but all clients and courts will suffer.

Legal aid advice counsel and duty counsel are also at risk. The Unified Family Court started here in November 1999. Its new Family Law Information Centre has, three afternoons a week, advice counsel for people looking to start or defend a case on their own and to advise them on settling out of court. At court, we have two lawyers as duty counsel for cases where both sides have no lawyer. Negotiations through duty counsel settle many cases on the first court date. A few of us rejoined the advice lawyer or duty counsel panels in 1999 to help give the new court a good start. However, many of us aren't continuing, and won't, if rates don't increase. Of the 25 of us, 15 do some duty counsel or advice counsel work. They have an average, again, of 21 years in practice: greying again. Both Peterborough and Kawartha Lakes find duty counsel even harder to recruit. Without duty counsel, a court with 20 or 25 cases on the docket would face a long, frustrating day, few settlements and many unnecessary adjournments.

In criminal cases, lack of legal representation would either paralyse the justice system or at least make it inefficient. It would increase unrepresented defendants who delay and prolong cases. Generally, trials take twice as long with an unrepresented party. The Ontario Crown Attorneys' Association agrees: unrepresented defendants cost the system more. Also, they increase the number of

appeals and perhaps wrongful convictions. An increase in the legal aid tariff, then, is an investment in an efficient justice system.

Family law affects many people. A family that doesn't get timely possession of property will often have to stay in a women's shelter at public expense. If they don't get timely support, they'll be driven to rely on social assistance. But family law legal aid is starting to crack. Child protection cases are the worst. Throughout central-east region we need more lawyers who take legal aid in these cases. Only about six lawyers in Northumberland do. In Durham region, few lawyers take legal aid. Even fewer take child protection cases. In one such case last year, a Durham judge threatened to order a lawyer to act at government expense, as Justice Boilard did in Montreal. Courts can do this because of the Charter of Rights.

In 1999, the Supreme Court of Canada decided, in *New Brunswick v J.G.*, that the charter gives parents in a crown wardship case the constitutional right to legal aid. Chief Justice Lamer wrote for the court, "The right to security of the person protects both the physical and psychological integrity of the individual from state actions." The charter then "guarantees every parent the right to a fair hearing when the state seeks to obtain custody of their children.... A fair hearing requires that the parent has the opportunity to present his or her case effectively. Effective participation enhances the judge's ability to make an accurate determination. Here, the statutory scheme allows a parent to present evidence, cross-examine witnesses, and make representations but does not provide funds for indigent parents to retain counsel. In the circumstances of this case, taking into account the seriousness of the interests at stake, the complexity of the proceedings and the capacities of J.G., the right to a fair hearing required the government to provide counsel." In other words, this is no job for the United Way.

One other example from Durham: at last October's sittings, the children's aid society had three crown wardship trials ready to go. They had counsel ready for all three. The court had three judges ready. But all three had the same defence counsel. No one else would take the trials. Two of the three trials had to be adjourned to the next sittings, leaving those children in limbo for months more.

Changes to the Child and Family Services Act and the family law rules direct courts to expedite child protection cases. When a children's aid society apprehends a child, the parent has 30 days to file an answer and a detailed plan of care. The parent often has trouble finding a lawyer to take legal aid. Unable to meet the 30-day deadline without counsel, the parent may have to agree to a temporary order leaving the child in the society's care. This may not even have been the society's first choice. For example, we may see a case where they are asking that the mother's partner stay away from the children but the mother won't agree until she reviews her options in depth with her own lawyer. Months can pass before she has found a lawyer and they reach agreement, or, if no

agreement is reached, she files the necessary response. A time lapse of months can have profound implications on the child and his or her family relationships. As well, the child will have been maintained at government expense unnecessarily.

I'm on the central east region bench and bar committee of the Superior Court of Justice from Northumberland's family and civil bar. Central east knows we're very lucky: the only judicial region with the Unified Family Court in every centre. We've already congratulated the provincial and federal governments for that.

Our wonderful new court mediator, Monica Walsh, has helped settle many cases that would have been bitter battles. I'm sure Mr O'Toole is happy with Durham's mediator too. Monica's notes always state that any agreement is subject to their lawyers' approval so that people don't compromise their rights without first knowing what they are. People still need lawyers, but her cases usually take much less lawyers' time. As to mediation being mandatory, there's really no need. With a court mediator, most people gladly use the service, as the duty counsel and judges generally recommend. In a few cases, one spouse is a victim of abuse or is too assertive or too submissive to be a good candidate for mediation.

Legal aid is not a partisan issue for most lawyers: we put access to justice above party. The point is not to blame anyone but to solve this very serious problem. Legal Aid Ontario in April 2000 appointed the Honourable Fred Kaufman and the plan's past provincial director Bob Holden to review the tariff. They reported in November 2000. As you know, the coalition seeks an increase from the current range of \$67 to \$84 an hour to a range of \$100 to \$125 an hour. This is already a compromise request. Justice Boilard, for one, would find it inadequate. The legal aid board then compromised the compromise by requesting only 8% per year for three years. Frankly, this is a band-aid solution. It may slow down the number of lawyers leaving legal aid, but it won't solve the problem because it's still so very far below market rates. Last fall, cabinet approved the new costs grid, part of the rules of court. It states that when a court orders one party to pay the other's costs, a lawyer's rate with less than 10 years in practice is up to \$300 an hour, 10 to 20 years is up to \$400 an hour, and over 20 years is up to \$450 an hour.

"Adequate funding for legal aid is a top priority for the Ontario Bar Association," says OBA president Jim O'Brien of Belleville in a recent call to action to all OBA members. I'm the regional coordinator for Durham, Peterborough, Northumberland, Kawartha Lakes and Haliburton on the OBA family law section executive. But this isn't just about legal aid lawyers. For the study day, April 17, the OBA has encouraged all members to schedule no conflicting court appearances and to take part in 11 study sessions across the province. Last May's meeting of the presidents of all the county and district law associations, like Lambton, Durham and Northum-

berland, discussed legal aid. They passed a resolution supporting action on legal aid if the province failed to commit to reform the tariff by the end of last year.

What will it take to save legal aid? Legal aid says this year's budget will require another \$10.6 million for this year's 8% increase. Still, if the government simply gives 8% and appoints yet another committee, senior lawyers won't come back to legal aid, nor will young lawyers stay in family law. We need a longer-term solution.

The new act brought in by this government—an excellent act—mandates a three-year funding cycle for legal aid. Legal aid says this three-year cycle must allow for a 25% rate increase over the next three years. Even that will bring rates only partway back up. We're asking the government to recognize that a tariff rate of \$100 to \$125 is necessary, to commit to funding that increase within a reasonable time—we know we're not going to get it this year—and to create a permanent tariff review process to ensure we're not in the same situation 15 years from now.

Thank you.

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The Chair: Thank you very much. We have two minutes per caucus, and I'll start with the official opposition.

Mr Monte Kwinter (York Centre): Thank you very much for your presentation. I was in Sault Ste Marie when I heard the other presentation.

There is obviously a discrepancy between what legal aid will pay a lawyer and what they can get in the free and open market, and as a result they tend not to take these cases because it isn't economical. You mentioned that even with the 25% increase you're looking for over three years you're still not going to get close. My question is this: unless the whole system is put on a more equitable basis, is this just going to give those people who do take legal aid a little bit more money but still not be an incentive to get others who don't take it to get in? Is that going to be enough of a difference to get them to do it?

Mr Day: That depends on whether we can see light at the end of the tunnel. The profession knows that we have an obligation professionally to take legal aid cases at lower-than-market rates. Even on a purely economic basis, you would give a discount for legal aid because you're guaranteed payment, unlike private cases where you may or may not ever collect in certain cases. So there's no doubt that legal aid rates can be somewhat lower than market rates on economic grounds and then on the grounds of the contribution that the profession has an obligation to make.

The question is the degree. As you say, 25% still won't bring us up to even the figure of \$100 to \$125, let alone the benchmark of \$150. And \$150, of course, is the very bottom of the range for market rates, as you know.

Do we expect the discrepancy with market rates to be completely closed? No, not at all. Will 25% and the promise of a tariff review so that we don't have to wait, a regular tariff review at least every three years, bring the

senior lawyers back in? The Legal Aid Ontario board says yes; the profession is saying, "We're afraid that it won't unless there is a commitment from the government to recognize that even the 25% increase is not going to be the end of the line."

The Chair: Thank you very much. Mr Christopherson.

Mr Christopherson: Thank you for your presentation. Like Mr Kwinter, I was also in Sault Ste Marie when Ms Shames made her presentation. I think we were all pretty shook, actually, because it was put in pretty stark terms. I don't think any of us realized things were quite that critical.

Just an observation: isn't it curious that all three parties state that the most important thing in society is families, and yet the shortage of professions are family doctors and now you're saying family lawyers? Somewhere we've got our rhetoric and our action disconnected.

I was upset to hear you say that there are children left in limbo for months. Can you just expand on that a little bit; also, just how frequently does that happen? Is that rare or does that happen with some regularity?

Mr Day: Just to comment on your two points, the shortage of family lawyers is quite scary because it started, obviously, five years ago as young lawyers started fleeing family law, so that it now shows up in the statistics for the past five years. We're not going to solve that overnight. That's going to be like a baby bust in the demographics, and that's why I say it's a long-term problem.

Certainly, the situation of three trials having the same counsel is unusual. I was startled to hear about that, and I heard about it from the judiciary, by the way. The judiciary were very concerned about it. It certainly is not something that I've ever heard of happening before. Whether it will happen more in the future, yes, and that's what is so scary. With only six lawyers in Northumberland county taking children's aid cases on legal aid—and most of them don't want to have more than one or two, for economic reasons. Children's aid cases are pretty time-consuming, and when you're doing it virtually for nothing, because the legal aid rate just about covers your overhead—and we shouldn't complain about that, because in Toronto the legal aid rates don't even cover your overhead; you're not only working for nothing, you're making a contribution. It's actually costing you money. At least in our case it covers our overhead. But you don't want to do that too many times. So we can only take about 10 children's aid cases. If we get more than 10 children's aid cases—and there usually are more than that—there's somebody going without a lawyer. So it's going to happen sooner or later here too.

The Chair: Thank you very much. Mr Galt.

Mr Galt: Welcome. Thank you for your presentation. Listening to your presentation, it's very obvious I went into the wrong profession, looking at what a lawyer can make. You're indicating the difficulty of getting them attracted.

For the animal review tribunal that we have for the province, we offer \$80, not per hour but per day. Obviously, it's pretty difficult to get veterinarians to sit on it unless they're retired, and then they do it as a volunteer; at least that's their consideration. But I'm certainly impressed with what lawyers can make and are making.

The question I have has to do with mediation and how much it can help. I know there's mediation there. What's the level? Is it mandatory, and if it was mandatory, would that help more with some of these family situations that arrive in court?

Mr Day: Mediation is one of your success stories, as I think you know, Doug, and I'm pleased to confirm that. We were saying for years that we needed a court mediation service. Of course when the federal government took the provincial judges off the payroll as part of the Unified Family Court, the province then paid for the mediation service, and it's wonderful. It doesn't need to be mandatory because Monica Walsh is there for free if you do mediations at court, as most people do, and if you need an off-site mediation, the rate is highly subsidized; there's a contribution on a sliding scale for those who can afford to, but it's very affordable.

Mr Galt: So it's working well.

Mr Day: It's working very well, and it's working well thanks to the provincial government, and we give credit for that.

Mr Galt: Thank you very much.

Mr O'Toole: How about any form of mandatory arbitration? The problem is that this thing goes to the courts. It's an emotional issue in many cases, family law, and there really may not be a reason to settle. Eventually, somebody is going to win and somebody is going to lose. How about looking not at adding more lawyers to the problem—my son's in law school, so I'm not opposed to them—but at mandatory mediation and arbitration before you even get to the court process? What do you think about strengthening that? Lawyers could go on and do more things for more money.

Mr Day: One of the good things about the Unified Family Court is that you've got judges who are doing nothing but family law. I don't know where you would find an arbitrator who's as good as the two family court judges we have.

I understand the virtues of arbitration as an option, but in family law in this area, you'd never find an arbitrator any better than those judges, and they are essentially doing that now. So I don't see that as an option here; it may be an option elsewhere.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

THOMAS A. STEWART SCHOOL COUNCIL

The Chair: Our next presentation is from the Thomas A. Stewart school council. I would ask the presenters to please come forward. If you could state your name for the record, please. On behalf of the committee, welcome,

and you have 20 minutes for your presentation this morning.

Ms June Goodwin: My name is June Goodwin, and my colleague is Lucinda Hage.

Honourable members of the committee, I think we can agree that we all want the very best education for our students, whether they live in Pickle Lake, Toronto or Peterborough; that education and health care are our highest priorities. We would also agree that we need to be fiscally and socially responsible. Education has evolved, and should continue to, over the years to equip our future citizens with the ability to compete in a demanding world. The funding formula, new curriculum and other major changes in education implemented by the current government were to address these concerns. The intentions were good, but I think you would agree we have problems and they need to be solved.

Our intent in appearing here today is to share our observations and experience at Thomas A. Stewart high school in the hope of contributing toward a solution; it is not to assign blame, point fingers or accuse. Change is a challenge; it can also be an opportunity.

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The TASSC brainstorming last September, item 1 in our package: you can see the expectations of our community for the ideal school. TAS was originally two schools in one building, one of which was a technical school. We have the facilities to offer more shop courses. Our country needs skilled tradespeople. I have to ask if you think our ideal school is unreasonable. Subsequent discussions to problem-solve and achieve this school identified many concerns that parents cannot solve. They require professionals, time, support, resources—in essence, money.

It is difficult for us as parents to know how well the funding formula actually works for education. Boards were far from equal when it was introduced. Under the funding formula, boards now essentially have a fixed income, and that income varies every six months according to how many students they have and what allowances they can qualify for. It was implemented after numerous funding cuts and concurrent with the amalgamation of school boards. The former boards addressed cuts in a variety of ways, from cost efficiencies, reducing programs, reserve funds and raising taxes. Technology, a high-ticket item, was at differing levels of implementation and was financed by various means, and transportation has not really been addressed in the formula.

But as with our homes, past commitments have to be honoured and bills have to be paid regardless of how many children are in them. On a fixed income, when the cost of living and utilities rises, money gets shuffled. Repairs and maintenance are a priority only, and the investment is devalued. In education, with current funding, this means our students lose resources, equipment, programs and morale. It too is devalued.

Since 1997 we have seen a reduction in our staff at TAS: teachers, resource, support, office and technicians. Last year, we shared our library technician with seven

other schools. There is more ebb and flow of teachers each semester to adjust for enrolment and credit count. User fees have been part of our students' education for over seven years, and more have been added and some have increased. Course selection has been reduced, and some of our programs have been cancelled. Late busing was cancelled in 1996 for 200 of our Victoria county school board students, and now Kawartha Pine Ridge allots a dollar amount for TAS to use to best advantage, but our coterminous students still have no late busing. Teachers are expected to do remedial work for students before and after school, but if a student has no transportation, he cannot comply.

Our school budget has varied and this year was reduced by \$30,000 as part of the KPR's deficit management. There is a shortage of textbooks. Some courses don't have any, and Xeroxed notes are made up by our teachers—and Xeroxing costs have gone up. The textbook funds from the government were for core subjects: English, math and science. Next year's funds are expected to be less than this year. Equipment and supplies in laboratories and workshops are also difficult to maintain and/or fund. Technology has been problematic for both administration and students. The teacher advisor program, an excellent initiative, was enthusiastically embraced at TAS, which spent two years planning this program. The teacher advisor program was severely undermined with the passing of Bill 74. It is into this climate that secondary school reform was introduced and continues at TAS.

The new curriculum is not an issue, but support is. Our students have a tougher curriculum, for which they have not had all the prerequisites. They have to pass a grade 10 literacy test and take transfer courses to move from one stream to another. Students are expected to make educational plans, but guidance counsellors are in short supply. There has been little assistance to help these pioneer students; remedial help is triage at best. A student who is ill for part or all of the literacy tests fails. Too bad, so sad, take it next year. But there's no contingency plan for students who fail this test, nor if they have to take transfer courses. Summer school seems to be a third semester.

Funds subject to enrolment are announced yearly with minimal notice and are adjusted every six months, but three-year contracts for staff must be negotiated. Planning for student needs—educational and life skills—is a continuing process for which stable funds are vital if this is to be done effectively and with cost-efficient use of funds.

We have always been very proud of our school. We have an excellent staff, many of whom have been acknowledged with awards, including the Prime Minister's award for excellence in teaching. We are proud that we offer not only a mix of academic and technical subjects, but also LLS, the learning and life skills program, and we are proud that our student body is a successful mix of rural and urban students. TAS graduates have gone on to a multitude of both blue- and white-

collar work. Some of our teachers and a custodian are TAS grads. We have 200 identified students and 26 in the LLS program. My eldest son is an identified student who would not qualify under the present funding formula.

Ms Lucinda Hage: I'm the parent of a son with a developmental disability. In this short portion of the talk, I would like to emphasize the importance of funding special education in high school. My point is simple: the measure of a society can be found in how it treats its weakest members. On behalf of the students who are marginalized, those who have poor communication skills and those who can't talk at all, I ask for your consideration.

As June said, at Thomas A. Stewart we have 26 students who have developmental disabilities, and they are in the learning and life skills program. There are a total of 146 developmentally disabled students in high school in Peterborough. In addition to having developmental disabilities, these students have a number of medical conditions ranging from autism to seizure disorders to Down's syndrome.

The second group at TAS is those students who are identified as having significant special needs. There are 200 of those in this one high school. They have been assessed as having severe learning disabilities and problems related to lack of maturity, lack of confidence and lack of ability to accurately assess social situations. They require ongoing coaching to help them stay on track and act in an age-appropriate manner. In addition, they often have conflicts with their peers due to their lack of social skills.

This group is supported by teachers and three educational assistants—not many resources, given the high needs. They not only have problems at school; they have problems at home. One student I know lives at the Brock Mission, which is a place for homeless men. Another is living with his father, who, at the age of 39, has had three heart attacks and is waiting for a transfer to Toronto for an operation. The head of the special-ed department at TAS feels that three additional staff are needed to work with this group of students. Without that staff, there is less support for work placement assistance and follow-up. Without monitoring, a student is at risk of not succeeding in their work placement. If they fail their work placement, they are at risk of leaving school without any skills at all.

Funding for transportation to work placements for these students has been cut. Students who attend TAS, which is at the edge of the city, rely on city buses to get them to their work. Unfortunately, many of them cannot afford to take the bus on a daily basis. A dollar and forty-five cents per trip doesn't sound like a lot, but if you multiply that by five days a week, and it's a round trip, that's \$15 a week. That's a lot for a family on social assistance. These students are at risk of losing the work placements that have been set up because they can't get to them.

Thomas A. Stewart is in pretty good shape for educational assistants in the learning and life skills clas-

ses. In other schools, however, I am aware of situations where the number and hours of educational assistants have been cut. This means there is less support for in-school inclusion activities and reduced support for work placements. The result is that only those who are highly independent can be accommodated into a work placement.

The direct consequence of cutbacks for both groups of students means that their chances of having independent, or even supported, community employment and contact once they graduate are severely diminished. Unlike most students, those with special needs require direct instruction in life skills and job training. It cannot be taken for granted that the students will be able to generalize their in-class experience into community settings. They need to have that instruction in the community. Without it, we will have hundreds of students leaving our high schools without the skills, maturity or confidence to become contributing members of society.

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As boards of education amalgamated and staff and resources were severely cut, the classroom felt the effects. The losses have been felt in the reduction of competent special education administrators and program consultants who were knowledgeable about programming and specialized equipment. There is no one left to help classroom teachers and EAs learn how to use specialized equipment. My son had a computer dedicated to him in the fall, but his teacher didn't know how to use the software and there was nobody at the board who could help her. The person who had the expertise was on maternity leave, so here was this expensive piece of equipment sitting idle.

Paul's teacher has been in the special education field for almost 30 years. She is concerned about the lack of administrative support and what will happen when experienced people like herself retire. She fears that the strong program that has been developed will become fragmented and that new young teachers will not get the support they need to maintain the viability of the program. It can take years to develop a strong educational program, but as you know, it only takes the stroke of a pen to eliminate it.

Funding cuts have been felt in the loss of special programs like swimming, skating, Camp Kawartha outings, and community busing programs for learning and life skills students. Many of these kids come from disadvantaged homes, so school outings may be the only ones they get. The situation becomes a vicious one: these students don't get out into the community, the community is not aware they exist and then they are not accepted into the community after school.

In an attempt to address this problem as a parent, I have developed a credit program called Heads Up for Inclusion. This program trains high school students to become peer advisers. Their role is to help students with a developmental disability to develop their communication and social skills and to become more included in their high school community. Through a small private

grant—I'd like to emphasize the word "small"—the program is operating at Thomas A. Stewart and another high school in Peterborough. It involves three weeks of training and then matching peer advisers with students in learning and life skills classes. Ongoing training for peers takes place one day a week, and a follow-up session one day a week is devoted to group discussion; this will take place for the rest of the semester.

You may say, "Good. It solves the problem. As a parent you've come in and you've found a solution." You might say, "Very good," in that this program should be expanded to include other schools in the province, because through peer advising programs, both groups of students stand to benefit, the peers in their opportunity for personal growth, the development of leadership and interpersonal skills, their knowledge of disabilities and the chance that they have to make a difference in the lives of other students. The students with a disability have the chance to learn valuable skills from their peers, they have increased social interaction with other students and they have the opportunity to be more included in the life of their high school. Research in this field has shown that peer programs of this kind can encourage students' sense of civic responsibility, social awareness, concern for humanity, and the ability to identify with and advance the goals of others. These are worthwhile values on which to build community.

At Kenner Collegiate, the peer advisers are special-needs students themselves, part of that identified group that I mentioned earlier. Initially, this was not my choice for peer advisers, but after four weeks of training, I can see the merit of having these students work with their disabled counterparts. They are learning valuable communication and social skills themselves. They are learning how to relate to teachers in a new way, how to support a disabled student in a learning environment and how to express themselves appropriately. In four short weeks I've seen progress in both groups. Wouldn't it be wonderful if there was funding to support this type of program and have it become part of the high school curriculum? Goodwill and political will can make this happen. It has the potential to give all our special students a voice.

Ms Goodwin: There can be no doubt that the changes in education have had an effect on our students. The double-cohort and post-cohort years will be a challenge to maintain the diversity of courses parents and students require at the secondary level. It is estimated that KPR will have a decreased enrolment of 200 secondary students next year. This decline increases to 1,000 students for 2003-04. A decrease of 200 students means a loss of 11 teachers or \$1.2 million in revenue; 1,000 students equals a loss of 55 teachers or \$6 million in revenue. There can be no doubt that schools will close, but boards' commitments must still be honoured and bills paid. Programs like music, drama, art, family studies and outdoor education will be compromised by enrolment declines. Today would be a good day to invest the projected savings from the elimination of OAC to education.

It is our students in our schools now who will be supporting the future economy with the largest number of retirees in history. Don't they deserve the best? Pierre Elliott Trudeau said, "Look into my face and you see what might have been and too late." Let's not look in the face of education and see the same. Thank you.

The Chair: Thank you very much. We have one minute per caucus. I'll start with Mr Christopherson.

Mr Christopherson: Thank you for your presentation. I realize that you said you didn't want to place any blame, that's not why you're here. Some of us aren't restrained by some of those niceties. The fact of the matter is that everywhere we've gone we've heard about the funding formula in education causing crisis after crisis and now it really doesn't seem to matter whether we're talking about Toronto as the major urban centre in the province, the north—Sault Ste Marie—down to the south in Windsor or here, moving east, in a small community. It's all the same. People are being hurt. I note that you don't have enough EAs. You have about half the number of EAs you should have to provide proper support, and after you lose these 200 students, I gather you're going to be in an even tougher situation.

I've got to tell you, there are still people who come into this committee, though, like the bankers yesterday—they only had two recommendations and both those recommendations were for more money for them. I've got to tell you, it's so important—yes, it's hard to believe but their only recommendation was on banks.

The Chair: Question, please.

Mr Christopherson: My question is, do you think that's fair? Do you think that should be the priority of the government in the upcoming budget or should they be focusing money on education and health care? A pretty straightforward question.

Ms Goodwin: I think it should be focused on education.

Mr O'Toole: I'd just like to put on the record a couple of things. The background on the changes in education all started with the NDP, to their credit. They had the Royal Commission on Learning, they also had the Sweeney commission, they also had the curriculum changes—all announced in 1994. They also had announced the elimination of OAC. These are all documented things. Mr Christopherson seems to forget.

Mr Christopherson: It's not our funding formula; it's your funding formula.

Mr O'Toole: One of the things that you did—it's my time, please.

The Chair: Order, please.

Mr O'Toole: I do really respect the peer mentoring program. Being a parent of five children, I completely endorse that. It's an excellent idea. I will certainly be trying to champion it along. But it also fits into the 40 hours of community service.

The Chair: Question, please.

Mr O'Toole: Making other people—

Interjection.

Mr O'Toole: In fact, it does. It's been widely championed that the 40 hours of community service is helping vulnerable people, making us aware that we are our brother's keeper. We are responsible for one another. My point to you is, what could I do—Mr Christopherson thinks that he has the corner on compassion. In fact, he makes a fool of himself, actually, almost daily—

Mr Christopherson: It's just like you to malign the—

The Chair: Question.

Mr O'Toole: —trying to place values on other people. He hasn't really got a clue. That's the bottom line. My question to you is, what can we do to champion your suggestion of the peer mentoring, using adults and young people to work with people with special needs?

Ms Goodwin: Put more money into education.

Mr O'Toole: A specific program or—

The Chair: Thank you very much. I'll have to go to Mr Parsons.

Mr Parsons: An excellent presentation, and I think a very damning indictment of the funding formula that is clearly not working and has been fatally flawed. Reference has been made to reports that were done during the NDP era and it is unfortunate that only parts were picked out of it and not all. When you only do part you in fact have not implemented it.

We have a son who is now 24 and developmentally handicapped. As he went through school we sat down and had the opportunity as parents to talk to the decision-makers, to the people who would decide where the funding would go and what would have to happen in the classroom to support him. We now have a four-year-old with ADH who is entering school and we're trying to convince someone in Toronto whom we will never know or see of his characteristics. The people who know our child have no opportunity to influence it. Are you experiencing that same frustration, that your son has to be described on paper for someone in Toronto to decide what your son will need, while the people who know him best won't decide for—

Ms Goodwin: I don't think it goes as far as Toronto, but it does go to the school board. There's a lack of qualified, experienced staff at the school board. Those people that make the decision have been eliminated.

1140

Mr Parsons: But the funding grant is approved on a per pupil basis out of the ministry? The ISA grant is not decided by the school board?

Ms Goodwin: No, you have to apply for it and qualify for it.

Mr Parsons: But that's not your board.

Ms Hage: It's in Toronto.

The Chair: With that, I have to bring it to an end.

Ms Goodwin: But if you don't have the administration to actually do the qualifications in the first place, then you don't get the people identified. That is a problem too.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

FRIENDS OF GILLBARD

The Chair: Our next presentation is from—and I hope I don't massacre the pronunciation too badly—Steven McCahon. Please come forward and state your name for the record—properly state it, I guess. On behalf of the committee, welcome. You have 15 minutes for your presentation this morning.

Mr Steven McCahon: My name is Steven McCahon. For those of you who are of Irish descent, it's "McCahon," but I'm not holding it against anyone who doesn't pronounce it that way.

I'd like to make a very brief presentation to the committee. I know that the committee has a number of worthy presentations. I'm also aware that you probably want to stay on schedule.

It's interesting that I follow in the footsteps of a group that has just talked to you about the funding formula for the Ministry of Education. This is actually one of the areas I want to speak to.

I'm the spokesperson for a group called Friends of Gillbard. Thomas Gillbard Public School is a local public school and is in the crunch as it relates to full-time-equivalent students and the funding formula. I guess I don't have to go into great detail, given what I've heard already today. The ministry-rated capacity of full-time-equivalent students for operational funding—this formula is flawed and has a great deal of problems associated with it. Our local school is the only downtown public school for elementary students, yet it has been selected for the school review process. What we have found in this process of going through a school closure review is that school boards are funded on an aggregate basis for full-time equivalents. Where a school is not at its full-time-equivalent rating, what happens is that the school boards are subsidizing schools for certain types of essential personnel: custodians, secretaries, educational assistants, principals, librarians and so forth. I say that as it relates to the operations because that's where the dollars and the students come together.

There are two other funding envelopes, one of which is the capital funding for new schools. Clearly, the way in which the ministry rated capacity and the school information system provide a range of difficulties for school boards. With the freeze on the number of schools, the only way boards can effectively bring new schools online is to close other facilities. Almost without question, older schools in areas of declining enrolment are becoming surplus and are being closed. This is the only way in which the reserve funds which are available to school boards to open new schools can be accessed. These perpetual reserve funds serve as an incentive, in some ways, for new schools and certainly act as an incentive to close other schools.

It's my recommendation that this committee look at three specific things as they relate to the budget this year. One is additional operational funding for public schools during the 2002-03 fiscal year. I expect I might get some questions on this, but one of the key issues related to this

is where the money is coming from. My suggestion would be that it may have to come out of the new capital projects funding; rather than looking at new schools, we should be looking at the existing problems with the funding formula and allocating out of that in the short run until these problems have been resolved.

Secondly, I would suggest that funding of a government review for the funding formula be undertaken and that these monies be used to facilitate a review as soon as possible in the fiscal year. Clearly, the situation we face at Thomas Gillbard is one that is not going to be helped in the 2002-03 budget year. It is going to be a situation that will be resolved within this budget year if the school board proceeds, as we expect, to close the school.

There's a third element to my presentation, and while it has budget implications, it's not directly a budget item. I'd like to point out to members of this committee that we have a situation that has arisen out of the change in the funding formula and the way in which funds are collected for education which I think was not anticipated at the time in which it was brought forward.

In our situation here in Cobourg, we are most likely going to lose the only downtown public school—we have five schools that are on the periphery of our town—yet our town's priority is downtown revitalization. As a result of the funding formula, and as a result of the choices made by the school board, it would seem that issues of local economic development clearly start to come into focus when we look at the ability of boards to close schools without any consultation with local municipalities, irrespective of the fact that local municipalities are the only ones who are given powers under the Municipal Act and the Planning Act for economic development issues. Clearly, if a town's priority is to revitalize its downtown, one of the keys to that would be having a downtown school. If there is no accountability for the school boards to their local municipalities, something I would suggest at least in a tacit way existed under the old funding system where municipalities paid for the school boards—there was at least some check against that kind of arbitrariness, and now we have no check against it.

In this particular town, with the school board that we're looking at trying to convince to keep the school open, they have a growth area in the west which is very significant. We have declining enrolments here. At the elementary level we have 100 FTEs over capacity as it stands right now. We are underutilized that much elementary-wise, but at the secondary level we're 200 under. Clearly, closing one school is not going to solve that problem, but we're looking at issues as they relate to school boards where they are not mandated under the Planning Act to make decisions that affect the ability of local governments to plan, for regional governments to plan, and yet the effect of the funding formula and the way in which the capital reserve funds for new schools is laid out—in fact what happens is that power, the power to designate a school in a local area as surplus and therefore take away the ability of the municipality to

plan, usurps a power that clearly it was never intended to usurp.

Those are my three recommendations. I'd be happy to take any questions from the panel.

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The Chair: Thank you very much. We have a minute and a half per caucus, and I'll start with Mr O'Toole.

Mr O'Toole: Thank you very much, Steven, for bringing your concerns forward. I don't live in Cobourg or in Northumberland, but I'm quite aware of the issue as I read the papers. It has received significant coverage, and I know the superintendent involved, Mr Hubbard, quite well. I know your trustee, obviously, Gordon Gilchrist.

Just the history of school closures: 1980-84, there were 317 schools closed in Ontario; 1985-89, 168 schools; 1990-94, 131 schools; and 1995 to the present, 206 schools. It's not a new phenomenon. It has always rationalized its way as populations moved out of downtown cores and more efficient—it's certainly a problem in my riding of Durham, which is right next to that of Dr Galt. The problem there—it's strange. We've had more new schools than the whole eight years I was a trustee. The problem is, it's even disruptive there because of new neighbourhoods, and border streets get split.

I'm not sure if there's another way. It is allocated on students and on where students live. As the growth moves, it's important to make sure that we have the schools as close to students as possible.

I guess my question to you is, do you have any suggestion in terms of mandating or formalizing the public input process? They have had public meetings on the Gillbard school.

Mr McCahon: I do have a couple of suggestions. The first is that clearly the issues we're facing in this community are being faced by virtually 120 other communities in the province at this point in time, whether it be actual municipalities or two or three schools being looked at in a particular municipality.

One of the problems with the input in terms of how it's been designed, and partly it's also related to the process, is that you have a school review program that targets a school at a time. In September, school boards have to identify those schools. By the end of June, they have to have made a decision about those schools, and clearly they are planning, with the capital funding envelope for new schools, on what they're going to do with the funds. So you've got a process where in September they have to identify schools; by June, they have to designate what they're going to do with the schools they've designated as possibly being surplus; and then in September they have to have a new system in place to deal with the school that's missing.

In the planning process for Kawartha Pine Ridge in terms of the school closure review, at this point the public has had no direct input. There has been a series of fact-finding meetings, yet the definition of what the actual problem that this ad hoc committee is trying to solve seems to be still very much a guess. If it's a matter

of having enough full-time-equivalent students in the school to support the program, that could easily have been arranged. It could have been dealt with and we would not be looking at a school review. We have one school in our area that is significantly over in terms of the number of students in it, and yet it's ironic that that particular school is the most new school and also took part of the catchment area that affects our school. That problem was clearly within the ability of the board to deal with.

My suggestion is that this is an issue that's facing many communities and that school boards, rather than targeting a school, should be coming to the community and talking about what needs to happen. We need, over the next few years, to come up with a manner in which we address the overcapacity of this area to provide for 300 students. That will likely mean closing at least one facility, probably two, but I think it has to be done in consultation with the local community. It is ludicrous to say, "Well, we've got the school review process. We'll do it a school at a time." We've heard from Mr Hubbard that we are going to be in this process of eliminating schools over the next 10 years.

The Chair: With that, I have to go to the other side.

Mr Parsons: The funding formula says ideally we would have one school located in a geographic centre of Ontario with an enrolment of about 800,000 students. That way, you'd need only one principal.

Mr McCahon: Yes, and certainly a lot fewer school boards, I might add.

Mr Parsons: Right. The problem with the schools is, unlike a store, the enrolment of a school is dictated by where the boundaries are drawn for that catchment area, and they can change. But school boards are forced now to really manage by crisis on a very short-term basis. Their funding changes every six months. They don't have a long-term commitment on it. In 17 years as a school board trustee, I can recall schools that were slated for closure—which did not happen—because enrolment was down, and 10 years later kids are hanging out the windows and there are portables out in the yard, because neighbourhoods change and neighbourhoods go through phases. School boards can't respond to that. They have to look at the immediate thing, and there's no opportunity for long-range planning.

Taking a school does have a devastating effect on the community and an effect on the students who can't stay after school for academics or for sports. But I started doing some calculations. If you close the school, you get the immediate savings on it. You spend a little bit on busing. Have you done any analysis of how many years you have to bus the students before the busing money would have paid for keeping that school open?

Mr McCahon: Ideally, the students out of Gillbard would be bused, and then we could actually do that analysis. Unfortunately, the school board we are dealing with has a fairly significant expectation of students at the elementary level in terms of how far they can walk: it's 1.6 kilometres. In our town, if you drew a circle from

Thomas Gillbard, 1.6 kilometres would take you to just about every other school.

The reality is that, for example, our two kids will cross Division Street, a very significant roadway, and they would cross D'Arcy Street to come to the local school here. Our kids would be able to manage that—they will be eight and six—if this goes through. They'll obviously need a parent to go with them. That's fine. But one of the things that has been argued—and I think there are very few in the school board who would suggest that this is otherwise—is that there are a disproportionate number of not only special education students in this particular school, but also students who are availing themselves of poverty intervention strategies. We're going to be asking those students and those families to get their students to school, after probably a 45-minute walk, for a breakfast club that might start at 8 o'clock in the morning. Beyond that, we also have a large number of people who live downtown who do not have vehicles; whether it's an economic issue or not, they don't. So you've also got the impact on students for a family member to come and get them if they're sick during the day and so on.

Clearly, the economic impact on our community will be significant. Let's not mince words about that. The other thing is that this school board has a criterion of six acres for an elementary school. Our current school is on 2.3 acres of property, and to find another six acres in our downtown core for a new school if we ever need it is not going to happen. Generally speaking, we can look at what is the cost-benefit analysis as it relates to busing. Unfortunately, in our situation, our students are just going to have to walk much longer distances to the local community school.

The Chair: I have to go to Mr Christopherson.

Mr Christopherson: Thank you, Mr McCahon, for your presentation.

Once again, Mr O'Toole would have you walk away with a distorted view of reality. The fact of the matter is that, yes, schools have closed in the past, but no school has ever closed in the past just because of dollars. Students move and demographics change, but I know in the case of Hamilton, the schools that have been closed and were looked at for closure were not on a review because of demographics; there wasn't a review going on. The only thing that sparked the review was the government saying, "We're not going to give you one cent for new schools until you close a whole slew of your older schools." Like you, in my riding a lot of them are in downtown Hamilton, and our downtown renewal is a priority also. It's a huge issue for us.

My question to you is going to be the similarities, because the factors that affected us—and what I want to know is whether yours are similar—were, of course, the economic activity downtown, but also bringing people downtown. Also, it's a centre and a source of community strength. It's not just a school. It's where adults meet, it's where kids go after school and, in many cases for us, it's the only open green space in the immediate area. Just

your thoughts on how much that reflects what you're going through here in Cobourg.

1200

Mr McCahon: To say it reflects exactly what we're going through here in Cobourg would be something of an understatement. Actually, when the Friends of Gillbard came to look at this issue, the local school council had been somewhat hamstrung by the fact that they were involved in the process, that they had representation in the process. I think the objectivity that's required of a school review committee really went a long way to making it almost virtually impossible for the community to be able to respond. Friends of Gillbard came along. Our slogan as it relates to our school is, "Thomas Gillbard Public School: More than Just a School."

Mr Christopherson, you are fully correct in indicating that not only is this a local community school, not only is it almost 100 years old, not only was it the only central school in Cobourg, not only does it represent a significant economic interest to our community, but it is a green space, there is a sense of community there, there is a sense of camaraderie among the staff there, there is a knowledge of parents and students at every level as it relates to the teachers, the staff, the principal. There is no way a kid gets lost in this school, because there is just too much connection with the community. So, yes indeed, we are seeing exactly what you're seeing in Hamilton.

The Chair: With that, I would like to thank you on behalf of the committee for your presentation this morning.

KAWARTHA PINE RIDGE
DISTRICT SCHOOL BOARD,
EASTERN REGION SCHOOL
COUNCILS ASSOCIATION

The Chair: Our next presentation is from the Eastern Region School Councils Association of the Kawartha Pine Ridge District School Board. I would ask the presenter to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Heather Ballarin: Thank you. For the record, I think your agenda probably shows that I am Heather Ballarin. That is correct.

Mr Chair and committee members, indeed your agenda informs you that you're now to hear from Heather Ballarin, chair of the Eastern Region School Councils Association, Kawartha Pine Ridge District School Board. So who is she and why is she here? That would be your question. I am Heather Ballarin and I would like to initially spend a moment or two painting a picture for you of exactly who I am before I set out to explain why I am here.

I am a parent of a five-year-old son who is in senior kindergarten and a nine-year-old daughter who is in grade 4. I became involved in my children's school immediately upon my daughter entering junior kinder-

garten. I've chaired the school council at Armour Heights for three years, co-chaired last year, and continue my involvement as the school's representative to the regional association, of which I am chair. My children are both A students who have had exceptional teachers. I tell you this so you will understand that I am not newly involved with school councils and have no vested interests, my children do not have high special needs, and I have had no particularly bad experiences to date.

I am married. My husband has a university degree, as do I. Neither of us are teachers. We have both been active volunteers within our children's classrooms and on field trips. We do our best to sell the chocolates and the muffin batters, sponsor the students in their walk-a-thons, and make ourselves available to do the ground prep work before the playground installation. We spend a fair chunk of each evening supervising our daughter as she completes her homework, and reading to our son, because we all know how important this is to his early literacy skills. I tell you this so you will understand we are middle-class parents involved in our children's education and doing our part.

I'm a registered physiotherapist working part-time within our public health care system. If you know any physiotherapists, you know we are creative and critical thinkers, always questioning the norm. We strive to provide client-centred care in a fiscally responsible manner, using evidence-based practice. I tell you this so you will understand that I get the concepts.

I have survived amalgamations and cutbacks to health care. I tell you this so you will understand that I do not take anything I hear or read at face value and I question facts, whether they come from the government of the day, the opposition, my school board, associations, unions or education advocacy groups.

I have worked hard to try to educate myself with respect to this government's funding formula, as well as with respect to my school board's budget process. I ask many questions and am not afraid to make suggestions or recommendations that may be, well, a little out there. I tell you this so you will understand that I always feel there is room for improvement and I do not believe that the way it has always been is the way it should always be.

I used to think that I was perhaps unique in my expectations of our province's education system and its funding, and I admit I have been told that the imaginary glasses I wear may be a little too rose-coloured. However, upon becoming involved in our board's regional association three years ago, I quickly discovered that I am not unique. I am not alone. I am pretty close to the norm in terms of involved parents. I tell you this so you will understand that the voice you hear is a voice of many, in hopes that when you hear or read "Parents have told us" in a Ministry of Education speech or publication, you will question, as I do on a regular basis, who exactly these parents are.

Lastly, in my role as regional chair, I have attended many Ministry of Education focus groups, input sessions

and roundtables and I have had an opportunity to ask the questions posed by the members of the region, provide our input and outline our concerns. I tell you all of this so you will clearly understand why I am here. I am not me, but rather we, and we the parents of the 22 school councils that comprise the eastern region do not feel we have been heard. This is a consultation, a hearing, an opportunity to provide input. Thank you for again consulting us. We would like to provide input and we would like to be heard. We would like to convey some of our expectations of the funding for our public education system, advise you of some concerns we have with the current level and method of funding and share our feelings as we continue to struggle to have these views heard.

First, what are our expectations with respect to the funding for public education in this province?

Equity: equity for all students, not only within each school and each board but also within the province. We feel all students should have the opportunity to experience school in a positive, safe environment that has the people and material resources to meet their needs and enable them to achieve their own personal best. They should graduate feeling good about their first real job: being a student. If they don't succeed at school, it will be increasingly harder for them to succeed at life.

Stability and recognition of inflation: at the very least, stable funding so our trustees can make plans year to year; more importantly, funding that on a yearly basis reflects the increasing cost for consistent services and resources.

Adequate funding: adequate funding to provide the basics, and, believe me, our definition of what is basic has been reduced with each year that passes under the new funding formula. As parents, we try to teach our children to differentiate at a very early age between a want and a need. We have had to take a very close look at our schools and within our board at what constitutes a want and what constitutes a need.

One of our expectations is support for a holistic, student-centred, needs-based approach. Funding needs to include monies that are aimed at programs and resources that have obvious subjective value to the students' educational experiences and growth as good citizens, even if government-approved or government-determined objective measures are not yet in place or not yet available to measure their effectiveness, cost benefit or outcome. Just because it isn't being measured does not mean it is not important.

Another expectation we have is financial consideration for board-specific problems. We expect the ministry to listen carefully and with an open mind when budget nightmares are faced by boards through no fault of their own but, more importantly, have arisen as a direct result of legislative changes in ministry initiatives. We expect one-time funding injections when a board—ours or others—can show that a hardship has been created that will affect funding in other areas if it is not dealt with expeditiously.

1210

Lastly, but most importantly, we expect investment in new initiatives; not just investment but substantial investment. The initiatives in which we are asking for investment are not those of our individual schools, although our front-line educators do have some pretty awesome ideas for new initiatives; and they are not those undertaken by our boards, although they have implemented some initiatives with which parents have been exceedingly pleased in the past. No, these initiatives for which we as parents expect substantial investment are those that have been introduced by the ministry over the past few years, things like the common curriculum, standardized testing and new accountability measures. Those are the biggies.

With respect to our expectations, may I now outline some of our main concerns with the current funding levels and methods.

With respect to equity, the current funding formula needs serious alterations in order to level the playing field province-wide for all students. Small schools are good examples. Equity will not be achieved as long as fundamental requirements are financed based on the enrolment level of a school. We've all read the reports—or if you haven't, you should—that outline the facts: 364 full-time equivalents to generate funding for a full-time principal; 769 to generate a full-time teacher-librarian; 272 to generate a secretary; and the statistics that prove that 51% of larger schools have phys-ed teachers whereas only 29% of smaller schools do. Music teachers are available in 59% of the larger schools but only 27% of the smaller schools. You get the picture. Then there's the decreased access to professionals, such as psychologists, social workers and speech-language pathologists.

If boards actually provided only to those who are eligible, the numbers would look even worse. Only 42% of Ontario schools actually qualify for a full-time principal. In reality, 86% have one. The basic services that are not being funded under the current funding formula are being provided within individual school boards because administration is again stealing from Peter to pay Paul.

I should mention that the reason these issues come to the forefront for organizations such as regional school councils is not because we as parents are seeking out reports and analyzing the figures out of curiosity.

I started to ask questions when I heard during the budget process last year from a parent at a school in Warkworth who was upset because their school library is going to be closed for the vast majority of her children's time at school, and the local community library is only open three to four hours—that's two days a week. When I touched base with her in the fall, after a long fight, things had been resolved. The library now remains open to students, but only because the 0.3 teacher-librarian now brings the classes that she teaches in the other 0.7 part of her time to the library to teach them. Science and technology, history, whatever the class is, come to the

library, and that's the only way the library can stay open. A solution, yes; acceptable, no.

As parents, we are not critical of our boards' attempts to fund shortfalls by robbing one program to provide resources for another, or of our individual school administrators' attempts to creatively solve real-life situations. We actually applaud these moves. They are doing the best they can. But at the same time, we are appalled that the government cannot see these blatant inequities and make adjustments accordingly.

Am I aware of the small-school allocation within the special grants? Yes, we all are. It doesn't work.

With respect to stability in funding and recognition of the effects of inflation, we have concerns again as to how our board is to compensate for the lack of ministry adjustments for ever-rising costs. The funding benchmarks are based on levels that were adequate when the funding formula was introduced in 1997-98. It is now four years later. Our board has seen a 20% rise in energy and fuel costs, yet at the same time the funding has been at a fixed rate. Again, the underlying concern is that when the funding is not available via the current formula, it must be found somewhere. It is found through the elimination of programs and decreases in resources, not because it is in the best interests of the students but because it is inevitable.

We have an expectation that there is adequate funding to provide the basics. Our concern is that this expectation is not being met.

One parent conveyed to me her woes the other day regarding the lack of textbooks in her son's grade 8 class. There aren't enough science or geography textbooks to go around and the existing texts are in danger of falling apart, hence a rule that they have to stay at school. She feels this is a ridiculous situation that does not enable her son to learn in an appropriate manner.

Our concerns are that parents increasingly are funding the basics from their own pockets. User fees are everywhere. It's just that some are more obvious than others. There are the blatant user fees. At our high schools, as is the case, we understand, with most boards, there exist user fees: \$10 for a grade 12 math workbook, \$3 for an OAC geometry and algebra workbook; even in the elementary schools: \$8 to purchase a recorder for grade 4 music, \$5 for the accompanying book. Those are the blatant examples. But we also consider that there are hidden user fees. There are lists that are handed out at the beginning of the school year for supplies, and increasingly these supplies are including things that parents say are basics: a box of Kleenex, glue, art supplies, paper.

Fundraising: fundraising is essentially user fees; be it hidden, it is still user fees. A common message being heard from parents who have been involved with parent organizations and fundraising within the schools for 10 years or more is that the message is clear: we used to fundraise for extras—the field trips, special happenings within the schools, things that made being at school more fun. Now we are fundraising for textbooks, calculators,

manipulatives, overhead projectors, computers, novels—the list goes on and on.

With respect to support for a holistic approach, let me explain our concern. Basically it's this: student achievement is of course important. Looking at outcomes is of course important. The discrepancy is that when I listen to Ministry of Education people talk, they say that test scores are so important to parents because they are the measure of a good school. But when I listen to parents talk, and I talk to a lot of parents, there is so much more that is important to parents than just marks: soft skills, life skills, social skills, safety, school spirit, community involvement. I have yet to meet one parent who would exercise their right to school choice based on test scores.

With respect to financial considerations for board-specific problems, this is a very simple concern. We feel that there are exceptions to every rule, but these exceptions are being ignored. Every board has its own unique situations that require consideration for financial help. I'm sure that Mr O'Toole and Mr Galt could provide you with the details with respect to our computer leases or our exceptionally high retirement gratuities. These are two examples within our board of things that have not been covered with the funding formula. The computer leases were in existence before the funding formula came into effect. The taxpayers agreed to support the computer technology that the board was willing to put in place. With the new funding formula, there has been no compensation for those leases and it continues to be an incredible drag on our budget process.

Substantial investments in new initiatives are important. No comment on whether parents agree or are happy with these initiatives. Obviously, within a region of 25 schools, there are varying opinions, and they vary dramatically. The commonality, however, between all camps is that if it has to be, it must be funded, not partially funded—by this, I mean underfunded to the extent that boards are forced to channel funds into new initiatives from other programs—but rather funded to ensure success. We know that underfunding is a reality, because we see the symptomatic results every day in real ways.

At my children's school, two of the three outdoor staircases leading from the upper-level playground to the lower-level playground have been boarded up. They have been deemed unsafe, but there's no money in the maintenance budget to properly remove them, so they're boarded up. Last year, my son's JK class had 29 children—29 three- and four-year olds—and one teacher, no EA. Not only did this make functioning next to impossible, it meant that space difficulties resulted in no ability for these students to rest, as is the norm. There wasn't physically enough space in the classroom for them to lay down and have their rest.

Because of pediculosis programs and lunch-hour supervision programs that have been discontinued to save money, I hear from parents that EAs who are supposed to be providing assistance with high-needs children are not

doing so but rather have been pulled from the class to pick nits. I hear that because of the decrease in staff and lunchroom supervisors, one school has resorted to having one teacher responsible for two portable classrooms for a half hour in the afternoon so that contractual agreements can be met around teachers' lunches.

How do we feel? Frustrated, angry, disappointed and disillusioned, but mostly burnt out. Also, we do feel hopeful. We are hopeful that if we continue to be involved, and that's what we're being told makes a difference, things will be better; hopeful that if we attempt to make ourselves heard at every opportunity, perhaps someone will begin to listen.

I hope this standing committee has listened and will continue to listen very carefully to all who are presenting their concerns regarding education funding. There are commonalities in all of our presentations, to be sure. Some will undoubtedly lean more on facts and figures than I have chosen to. Others, like myself, will try to help you see the real face of underfunding in the hopes that you will be able to envision the dangers to our children's futures if this continues. Thank you for your time and consideration.

1220

The Vice-Chair (Mr Doug Galt): Thanks very much for the presentation. We're down to about a minute and a half left in the 20 minutes, so I think I'll give that to the Liberal caucus rather than rotate.

Mr Parsons: That was a great presentation. As long as I can recall, there used to be parent councils in schools, and their primary function seemed to be fund-raising. The government said we need to expand the role and get beyond that, so they created school councils, and thanks to the funding formula, your main focus is fund-raising, which seems rather ironic.

Ms Ballarin: Doesn't it.

Mr Parsons: The other thing that has bothered me is that the rhetoric has said it is to empower parents, and so now we have school councils that don't have any power. At one time, when school boards made the decisions and made the funding determinations, parent councils, or now school councils, could meet with the school board and lobby and advocate, and the school board could assign priorities or put the tax rate up five cents a house or something. Now you're in the position that the funding comes in an envelope from Queen's Park, so you don't have contact with the decision-makers now. You have contact with individuals who are lobbyists, much as you are, in a sense. That has to be very frustrating, as a parent who is evidently very committed to the school and to the school council. What needs to happen to give you some power to effect the priorities within the province, within your school board or within your school?

Ms Ballarin: I don't think I entirely agree with you when you say that we are not as empowered as perhaps we used to be. I think the process within our school board certainly is such that if I'm looking to be involved and provide feedback and have an advocacy role, it's there. I attend all the budget meetings. We can do that. I think the

problem becomes that in order for us to be empowered to make any significant change—we can voice our concerns, we can give our input with respect to what programs, what resources, what areas are priorities—the bottom line is, if the money isn't there, the money cannot be spent on those things that we set as priorities unless we steal from things that are at the bottom of the priority list, and those are still very important things. We're down to basics. We're not talking about swimming pools.

The Vice-Chair: On behalf of the committee, thank you very much for coming forward and giving us a very comprehensive presentation.

Interjection.

The Vice-Chair: We started at 12:03 with this presentation and it's now, according to this, 12:23. The last presentation went overtime.

BRUCE MELNICHUK

The Vice-Chair: Our next presentation is Bruce Melnichuk. A total of 15 minutes have been set aside for you as an individual presenting. What's left over from your presentation will be divided equally among the three caucuses for questions. As you begin, please state your name clearly for the record.

Mr Bruce Melnichuk: Good afternoon. My name is Bruce Melnichuk, and by character I am a quiet, keep-to-myself type of person until there is something to say, and then I'll speak my mind. I live at lot 11, concession 5 in Cramahe township in Northumberland county. I moved here in 1991. Before we took possession of the property, I checked with the county who was in charge of waste services for the entire county. I was told that the closest landfill site was 12 kilometres away, down on Telephone Road, and it was to close in a couple of years, so we moved in.

Ten years later, we found out eight months ago that there is a dump within 150 feet from our well. This dump has never been tested or certified. One of the many things I've found out about this landfill site is that it was recommended that Cramahe township put a holding zone on all properties within 500 metres of a landfill site. They were told this a year before the property was severed and two years before it was built on. I'm not here just for our benefit but for anyone who lives near a landfill site or who doesn't even know that they do. To my knowledge there were 2,334 closed landfills in Ontario as of 1988 with a C of A from the MOE.

In 1991, there were only two landfill sites shown on the lists from the MOE for closed landfill sites in Cramahe township and yet there are suspected to be 10 landfill sites or dumps in Cramahe township. Just because a landfill site is closed doesn't mean it's gone. If the aquifer's contaminated, it may be unusable for decades. In residence time it could be anywhere from two weeks to 10,000 years.

There's talk that the Bay of Quinte is clearer. Just because the water is clearer doesn't make it clean. With all the landfill sites near the headwaters that feed into the

Bay of Quinte, could it be that all the open and closed landfill sites that feed the waters that go into the Bay of Quinte are polluting it and chasing off the fish? After all, fish are very sensitive to their environment, even if some humans are not.

What I would like to see is that all landfills be found, tested and disclosed, as well as the MOE be in charge of all the landfill sites and put proper holds on every last one of them.

This is the Lower Trent Region Conservation Authority's and this is what the closed landfill sites look like. The closed landfill sites are represented by the red dots. There are 33 landfill sites. Victoria county has 16, Peterborough has 28, Northumberland has 30, Frontenac has 30, Lanark has 8 and Hastings has 53.

OK. I can take questions now, a whole bunch.

The Chair: We have approximately three minutes per caucus and I'll start with Mr Christopherson.

Mr Christopherson: Thank you for your presentation, sir. What happened when you approached your town council? I'm assuming that's probably where you started.

Mr Melnichuk: We did. I've been there five times and each time they tell us it's our problem, it's not their fault.

Mr Christopherson: Whose land is the former—

Mr Melnichuk: The landfill?

Mr Christopherson: Yes.

Mr Melnichuk: The dump actually belongs to Cecil Dale and our property was severed off his in 1989. Our property was actually built on in 1990 and I checked with the county in 1991 before we moved in. We were told that there was no dump and the closest one was, in actual fact, 14 kilometres away.

Mr Christopherson: What's the attitude of the current landowner?

Mr Melnichuk: Really, we haven't approached him, more because he's about 80 years old and he has Alzheimer's now. We don't really want to take him on as far as a court case because it wouldn't be fair to him. In actual fact, to me it's Cramahe township that's at fault. The Ministry of the Environment told them to put holds on the properties and they refused to. Now that it's come up that there are dump sites around, they are more or less telling us it's our problem.

To do proper tests on a landfill site is up to about a half a million dollars because they have to do test wells and all that stuff. There are actually 10 properties within that 500 metres.

Mr Christopherson: I represent a large urban centre—downtown Hamilton and the west end—so I don't deal with this an awful lot on a personal basis in terms of individuals. I know that we have uncovered former sites and there are serious concerns, exactly the leachate concerns that you're raising here. Our regional government at the time took it upon themselves to just take total ownership regardless of who owned the land. The reason I say that is I don't know what the legalities are as well as maybe other members here who represent

rural areas, but it would seem to me that you've got a public health issue and that some level of government, some responsible entity, should be—

Mr Melnichuk: Helping.

Mr Christopherson: —yeah—assuming the accountability here, because how can you be expected to do testing on a piece of land that's not even yours? That just doesn't make practical sense to me, so I'd be interested to hear what some of the other members say. But it would certainly seem to me that you've got a legitimate beef with government writ large and that somebody should stop handing you the bureaucratic runaround and give you some help.

1230

Mr Galt: Interesting. I live in Cramahe township as well. I'm intrigued with your presentation. Looking on the map at your location, do you have any feeling, on the information you've picked up, how big this landfill is or was at the time it was operated, what the footprint is?

Mr Melnichuk: We have looked at it; I've looked at it through the lower Trent aerial photos as well. There is documentation from the MOE in this, dated 1987, and it says, "Site 1 is the only contentious site. This uncertified site located on lot 11, concession 5, is privately owned by Cecil Dale. It would appear that this site is identified as a waste disposal area on schedule A. The site has accepted domestic, commercial and solid, non-hazardous waste which has been deposited over an area of approximately 60 by 110 metres. Currently, the site has an accumulation of scrap metals, the surface of which is covered by soil with mature grass growth, indicating that there has been no recent activity." Keep in mind that was in 1987 and the Canada Colours fire was in 1977, and I know for a fact that they had dumped dog food there. That Canada Colours fire was a \$2-million fire.

Mr Galt: I moved to the township in 1971 and at that time it was the main site and, as I understood, the only site—just north of Colborne on Telephone Road. I was impressed at that time with how it was operated, from what I was familiar with landfill sites. To my knowledge that was the only one, but you're saying commercial material went in there as late as into the 1980s, from what I'm hearing from you.

Mr Melnichuk: From what I understand, that site actually opened in the early 1950s and closed in 1975. Keep in mind that the Canada Colours fire, which was Tri-Plex Manufacturing and then it turned into Ciba Geigy and now into Canada Colours as it is now, was in 1977. And there was actually canned dog food dumped there.

Mr Galt: Have you been doing any testing of your well, or has MOE—

Mr Melnichuk: We only could do the bacteriological tests.

Mr Galt: And that's not going to tell you anything about the landfill and the contaminants.

Mr Melnichuk: In actual fact, bacteriological tests are done for landfill sites, and ecological—

Mr Galt: I think you'd be wanting to look for chemicals, not bacteria.

Mr Melnichuk: True enough, but chemical tests cost a lot more money. We are going to an ARB meeting to try and get our taxes reduced, to use that money to do our testing.

Mr Galt: And there's nothing from MOE to give you assistance on that kind of a situation?

Mr Melnichuk: No, because Cramahe township chose not to follow the MOE's recommendations and the MOE is more or less saying it's Cramahe's problem.

Mr Parsons: Fascinating report. The first thing I did was look for my house on the map, to see if it's in your red dot, and it's not. Where did you get all the information? How did you access it?

Mr Melnichuk: The MOE was most; I also went to town planners and Ministry of Natural Resources and the Lower Trent Region Conservation Authority.

Mr Parsons: You're one of a number of property owners affected by this dump. The tests that you need for chemical analysis are over \$1,000—well over.

Mr Melnichuk: We can do a water test once a year. A water and soil test will cost us about \$2,000 each time.

Mr Parsons: You're telling me that the Ministry of Environment, which is responsible for safe water, won't test your water.

Mr Melnichuk: That's true.

Mr Parsons: There's a fundamental flaw there. I'm missing something.

Mr Melnichuk: There's bigger flaws than that. The Ministry of Health does septic systems and well systems. The Ministry of Health will come out and site-plan where the septic is going to go, and yet the Ministry of Health will stay up in Peterborough and say, "Put it there. It's up to the driller." Sooner or later a driller is going to be drilling through a landfill site that he doesn't know is there and possibly be smoking and hit methane gas and, bye.

Mr Parsons: I accept what you say, but there's an insanity to it.

Mr Melnichuk: There's a bigger insanity near the end from Cramahe township. This house was built last year, in 2001. It is well within the 500-metre circle of effluent and yet Cramahe council overrode our building inspector, who didn't want to give a building permit. They overrode her and passed the resolution allowing him to build, providing he takes responsibility for any water contamination. At the time the house was completed and she was going to give him the final occupancy, Cramahe council told them, "Don't worry. He's not within the circle," yet the aerial photos clearly show he is within the circle. When I asked council about that, they said, "We paced it off; it passed."

Mr Parsons: But fire departments don't put out fires only if they're the ones who start them. The Ministry of the Environment is in the same boat, in my mind. They may not have caused this problem, but their role is to help fix it. I'm very disappointed.

You mentioned urban areas and certainly safe water is an increasing priority, as it should be, but it's just as important to you drinking the water out of your well as it is to someone out of the tap in Hamilton. I'm very disappointed to hear that.

Mr Melnichuk: That's right.

The Chair: With that, I have to bring it to an end, but on behalf of the committee thank you very much for your presentation.

Mr Melnichuk: Thank you. I appreciate your time.

NORTHUMBERLAND COALITION AGAINST POVERTY

The Chair: Our next presentation is from the Northumberland Coalition Against Poverty. I would ask the presenter or presenters to come forward; if you could state your name, please, for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Deborah O'Connor: My name is Deborah O'Connor and I'm with the Northumberland Coalition Against Poverty. Our other speaker is Mr Jim Guy, and he will be speaking when I am finished. I hope you gentlemen do get a break for lunch today and you're not going all day.

Interjection: Yes, we are.

Ms O'Connor: Non-stop.

Our own MPP, Doug Galt, is quite familiar with us, but I wanted to just quickly tell you who we are. I should tell you first that I'm a community legal worker with the Northumberland Community Legal Centre. We're one of the 70-odd legal clinics in the province. Part of my job as outreach is to work with community groups, and that's why I work with the Northumberland Coalition Against Poverty. I'm also a poverty survivor myself. I raised two kids on mother's allowance and part-time income. I spent six years on the board of the National Anti-Poverty Organization, three of those on their executive. So I like to think I do know something about poverty in this province and this country.

The coalition against poverty has been around since 1993. Some of our highlights have been a regular committee that met with the administrator of the welfare office to try and find policies that worked for everybody; we've done presentations to our county council; we've had frequent meetings with our member of provincial Parliament; and we are also members of the Ontario Social Safety Network, the Ontario Coalition for Social Justice and the National Anti-Poverty Organization.

We have joined with a campaign that is in the province that I think you've already heard about. It's called Feed the Kids AND Pay the Rent. I understand you've heard about this campaign in Ottawa, Sault Ste Marie and Toronto. The focus of that campaign, which we heartily endorse, is that we need a raise in the shelter allowance of welfare benefits. Since welfare rates were cut in 1995 with inflation added in, people on Ontario Works have lost 31% of the value of the benefits they're

being paid. Even the disabled, who are paid at a higher rate, have suffered a loss of 13% since 1995.

1240

Just last night I read a report by the Daily Bread Food Bank in Toronto, and it was quite shocking to me. They are finding that in the last year they are seeing more working poor needing food relief, more seniors needing food relief and more hunger. People are paying more rent for less desirable accommodations with fewer amenities. One of the reasons people are forced to use food banks is because they are spending too much of their welfare benefits on rent. We have numbers on average rents in our own region: Cobourg, Port Hope and Brighton. For a single person who is allowed \$325 a month for shelter allowance—even a bachelor apartment runs \$400 to \$450. A one-bedroom runs \$450 to \$600.

I don't want to go over time, because I want Mr Guy to have a chance to speak. So I'm going to be very brief.

NCAP is asking you today to raise the shelter portion of the welfare allowance to make it match Canada Mortgage and Housing Corp's average rent for the province of Ontario. Second, we are asking the province to build affordable housing. We understand that, right now, Ottawa has a national housing program, and it has \$680 million set aside for Ontario to participate. If Ontario will pay \$244 million, combined with Ottawa's portion, we could build 9,000 units of affordable housing.

Of course the question is, how do you do this, facing a deficit? We would respectfully suggest that you forget the proposed corporate tax cuts, which amount to \$2.2 billion. We believe that if you leave those corporate tax rates alone, that would afford you the money to raise the shelter portion of welfare allowances and to build some affordable housing in this province, which we desperately need—I can't tell you how desperately.

Mr Guy is a member of the coalition against poverty, locally. He has asked me to introduce him as a disabled person. Jim has run the gamut of misery to get where he is now. He is in receipt of Canada pension plan disability benefits, with a top-up coming from the Ontario disability support program. I'll turn the floor over to Jim. He is going to expand on the points I've made, with his own observations.

Mr Jim Guy: I'd like to thank the standing committee on finance and economic affairs for granting me this time to make a presentation. Hopefully, you'll find some of this information useful.

As I understand it, the Northumberland Coalition Against Poverty wants me to tell my story and, in doing so, put a face to welfare and disability.

I was raised in a middle-class family and was in the process of raising a middle-class family when, in the mid-1990s, the bottom fell out. Almost overnight, I went from sitting in my comfortable home, worrying about RSP contributions, to sitting in a cockroach-infested motel room, penniless. The Salvation Army had to come to my rescue to ensure that I had a roof over my head. As I recall, I could barely scrape up the price of a phone call to the local welfare office. At that time, I could only

manage to get an answering machine and a voice which assured me that they would call me back within 24 hours. Unfortunately, I, like a large number of potential clients of welfare, had no phone number that I could leave with the office for follow-up.

I was eventually approved for assistance, and received \$520 a month. Rent on my new home was \$425. That left me with a grand total of \$95. That was for everything: food and basic necessities, such as soap, laundry detergent and transportation. I could go on and on, but what's the point? The \$95 was long gone back at the food stage.

The very first challenge for a single person on welfare is to feed themselves. During the three or four months that I received assistance in 1997, I did not eat properly. I noticed that my energy level was very low, and my ability to deal with common, everyday events was slowly being compromised. Those things that many of us take for granted, such as doing a load of laundry, became major challenges. The nearest laundromat was about a kilometre away; a round trip of two kilometres carrying laundry bags is especially trying when a person is weak and run-down from not eating properly. Sometimes I would cheat and use one of the six monthly bus passes I received from welfare—I say "cheat" because those bus passes were designated for use only on the job hunt. I rationalized by telling myself that a person needs to be clean and to have clean clothes for a job interview. Anyway, they must have found out about the abuse, because the six bus passes were withdrawn as probably the only perk of being on workfare or welfare.

After about three or four months I did find a job, albeit low paying, but a job nevertheless. Before I move on, though, I wish to point out that the rent at that establishment, which is one of the few alternatives to homelessness that we have here in Cobourg, was raised to \$450 per month. I would challenge anyone in this room to try living on \$70 per month. Take my word for it: you would become physically ill, and I'm sure your psyche would suffer too.

I worked for about a year at that low-paying job. When my hours were cut back in the spring of 1998, I got in touch with the welfare office to see if I qualified for any sort of top-up. Since I was earning the princely sum of \$140 a week, I was told I did not qualify. I was no longer living at the motel at this stage, but I was definitely a member of that group you have no doubt heard about before: the working poor.

In the spring of 1998 I returned to my old profession of carpentry. I kept an employment insurance claim active and religiously reported my earnings from construction. The reason I did that was because I was hoping to avoid a period of no income and the hunger pangs that go hand in hand with poverty. Unfortunately the construction job ended with no more in sight, and the time period was awkward enough to allow for a two- to three-week wait for any employment benefits. Honesty, in this instance, was going to cost me. I did have clear conscience, and that and a buck will get you a cup of coffee, as we all know.

My health had been declining steadily over the past 18 months, mostly due to an improper diet and the stress that accompanies financial distress. In late July 1998, I contracted pneumonia and then suffered a pulmonary embolism. I was in a coma for over a month and was not expected to live.

On October 1, 1998, I was discharged from hospital. I weighed 150 pounds and quite literally had to learn how to walk and talk again. It was in this sad shape that I attended an intake interview for ODSP. At that time the office was located in Port Hope, and I recall the intake worker telling me that while my claim should go through without challenge, she wouldn't guarantee anything with the way things were going lately. She confided in me that numerous so-called worthy claims were being rejected out of hand. She exhorted me to remain steadfast and not give up. Little did I know how much that morale-booster would come into play in the months ahead.

In the meantime I was given a medical deferral and placed on welfare. I had been fortunate enough to get an apartment in a geared-to-income building, so my monthly cheque from welfare came to \$340. Once again, by the time I had met other expenses, there was not much left for food. You can imagine my chagrin when that amount was further reduced to \$270 per month.

During my recovery in hospital, my doctor had told me that the recovery process would take about a year, and that among other things it was vital that I eat properly during the process. Another thing that would take about a year was the approval process for ODSP. During that time I received numerous computer-authored reminders that I was not considered disabled. I was not eating properly, owing to my income, and my recovery involved many setbacks.

Finally, late in the summer of 1999, I was approved for ODSP. Because I had found geared-to-income housing, I received \$600 per month and, yes, a rent increase went along with that. I'd like to jump back to welfare for one moment to point out that while I was on a medical deferral on welfare my medical transportation costs were covered. But once my ODSP was approved, my transportation costs to Port Hope were not covered because of some kilometre clause, I imagine—I don't know. Apparently I live a kilometre too close to my doctor.

Just this past summer I started receiving Canada pension plan disability benefits. Apparently the three-year delay was owing to a computer error. The good news was that I would now receive \$723 per month, an increase of \$123 per month over what I was getting from ODSP. The bad news was that my rent went from \$58 per month to \$156. The good news was that I was still \$25 ahead from what I was receiving from ODSP. Once again, we go back to the bad news: I was almost immediately cut off from my medical and dental benefits.

Obviously the denial of benefits was owing to some formula that had left me about two dollars richer than I ought to be in order to qualify. Just recently, I managed to get my benefits reinstated. The prescription coverage

is vital for someone like me, who has to take several prescriptions on an ongoing basis. I'm somewhat concerned about the delisting of certain drugs, and cutbacks in the dental coverage have impacted on me as well.

1250

Owing to my ordeal, I have become more involved in the issues surrounding poverty. I can assure this panel that there is plenty of poverty out there, and not a whole lot of relief. Last week a middle-aged single woman who has never been on workfare was forced to apply after she had received an eviction notice from her landlord. Since her rent is \$500 a month, she is now facing the gloomy prospect of surviving the month of March on \$20.

Last spring I found a man in his 30s living on Cobourg beach. He had been there for a couple of weeks when I learned of it. He had been turned away from welfare and was too weak and discouraged to find an alternative to living outdoors. When I came across him, he was wrapped in a thick blanket, sleeping beside a fire. The blanket had several burn marks in it. I'd say he was lucky he didn't either freeze to death or burn to death. With a warm shower and a good night's sleep he bounced back and later that same spring had returned to his profession of house painting.

Those are just a couple of examples of a very extensive problem. I submit to you that the answer is not in more cutbacks or disqualifications. Contrary to popular opinion, most people do not consider welfare as an attractive alternative to a productive lifestyle. I maintain that persons who hold that opinion do so through ignorance, media misinformation or political posturing.

We as a community are only as strong as our weakest link. The current government's agenda does not appear to offer much hope or help to those who need it, our weakest link.

Unfortunately, a large percentage of those citizens who are currently suffering the many indignities offered up by poverty are children. They're not alcoholic, drug-using, bingo-playing deadbeats; they're our future. I'm here to tell you that many of our children are going to bed hungry tonight because of a penny-wise, pound-foolish approach to social programs. Going to bed hungry isn't much fun. It can literally make you sick, whether you're young or old.

Ask yourself this question, please: does the money saved in cuts to social programs equal the money spent on health and court costs down the road? Without benefit of a consultant's study or an accountant's cost comparison, I'm going to answer that question with a resounding no.

I'd like to thank the members of this committee for listening to me this afternoon.

The Chair: Thank you very much. We have about a minute per caucus, and I'll start with Mr Galt.

Mr Galt: Thank you for your story. My apologies for not being here right at the beginning of your presentation.

Thank you for telling us about your recent life. I knew you a few years ago and respected the profession you

were in at that time. It certainly gives us a better understanding of the situations some people find themselves in.

I really don't have any questions at this point in time, other than to say thank you for sharing that with us.

The Chair: I'll go to the official opposition. Mr Parsons.

Mr Parsons: I appreciate your wanting to put a face to the situation. I have a role as the Liberal critic for persons with disabilities, whom I have always said have been sentenced to a life of poverty. The maximum of \$930 a month has not been increased since 1990. I don't know what loss—it's at least a 25% loss in buying power over that period.

You're right: 50% of the people on welfare are children, in many cases hungry children. It strikes me as ironic that we don't want to spend 20 bucks on food for them, but with the new jails we can lock them up for only \$40,000 a year once they become young offenders. And at \$40,000 a year, that's a very good deal if they're hungry—very short-sighted. "Government knows the cost of everything and the value of nothing," is an expression that's used.

I want to thank you for advocating for real people.

Mr Guy: Thank you.

The Chair: Mr Christopherson.

Mr Christopherson: I can appreciate that Mr Galt doesn't know what to do or say. I would suggest that, on behalf of Mike Harris, maybe he might want to say, "Sorry." There's nobody else in our society that I'm aware of who's had their income cut by 22%—certainly not MPPs and certainly not most of the professionals who come before us seeking more tax decreases. That's what's so damned unfair about this whole situation.

If you were with us previously, you would have heard group after group who already benefited tremendously from the economic boom and from the cuts to social assistance. That money was transferred from the poorest of the poor to the richest of the rich. What's obscene is that the only real interest the government has is which tax cuts they can afford to do next, not which programs need the funding.

I listen to them ask questions and talk about recommendations. One day I watched them ask the petrochemical industry: "You've got three or four recommendations. Which one would be your priority? We can't do them all, you know." But I never hear that being asked of poverty groups, education groups or health care workers. That's what's so frustrating about this process: the wealth of Ontario is gauged by just how rich the rich are and not by how well the average person lives.

I want to ask you how you feel about the idea that there's \$2 billion on the books to go toward more corporate tax cuts and nothing that we've heard so far toward the issues you've raised here today.

Mr Guy: I feel that it's a political philosophy, that it's the old trickle-down theory, but the trickle isn't there. For an analogy you can use the Fram oil "Pay me now or pay me later," because these children who are being raised in

poverty are going to come back to haunt us, this generation.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

PROVINCIAL COALITION ON SPECIAL SERVICES AT HOME

The Chair: Our next presentation is from the Provincial Coalition on Special Services at Home. I would ask the presenters to please come forward, and if you could state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Beth French: Hello. I'm Beth French. I'm the chair of the Provincial Coalition on Special Services at Home.

Ms Audrey Cole: I'm Audrey Cole, a parent of a 37-year-old son with a significant disability who is presently receiving special services at home support.

Ms French: Thank you very much for providing us with this opportunity to present to you today. I'm going to begin with some information about the special services at home program and some issues that we've identified, and then Audrey is going to speak from her personal and parental perspective about those issues.

Let me begin with just explaining that since 1982 special services at home has been a key funding mechanism that has been a very creative one and available to families to access support for their family member living at home with a disability. It's a program at this point for adults and children with intellectual disabilities and children with physical disabilities. In fact, it's the only individualized and direct funding program available to families, and it's available to families in all areas of Ontario.

Currently, SSAH provides \$60 million of funding to more than 16,000 families living across the province. With that funding it allows families to be tremendously creative and flexible with very small amounts of money. We believe this makes it an extremely cost-effective program for the government, yet in fact it's tremendously valuable to parents. It's a very popular program with families, and in the year 2001 families requested \$20 million more in funding than was allocated to the program.

The Ministry of Community and Social Services we believe has been quite visionary and quite strong in its leadership in implementing this program, because it's creative and unique, and we also believe that the ministry deserves credit for its continued investment over the past 20 years. Certainly Mr Baird himself has pointed to the program as being one of the most cost-effective support programs and one of the most meaningful support programs in his experience with the ministry.

The special service at home coalition is comprised of individuals, families and agencies dedicated to ensuring that families in Ontario have access to meaningful support through this kind of program, and we believe that special services at home is a vital support. In providing

support it helps people to live meaningful lives in the community, which is what concerns us the most, obviously. We believe that it should be a program of first choice for families and that the funding should be increased at a bare minimum by that \$20 million that was requested by families last year in addition to what was allocated. We believe that it is cost-effective and efficient and provides the kind of help that families need.

We also believe that the program needs to change and evolve to respond to families' needs and that families must have a say in how a program like this works. So we'd like to take a bit of time to highlight some of the information, facts and issues with the program.

1300

A few of the details about it: SSAH in the year 2000-01 provided funding to 12,000 children and 4,915 adults living across the province. There was a waiting list of 585 families who were not able to receive funding but who qualified.

As we've already pointed out, this is a very cost-effective program: 12,000 of those families receive between \$1,000 and \$5,000 a year, then 191 families received funding in excess of \$10,000. In fact, I must say that \$10,000 is really the upper limit of funding, and when we say that 191 families may have received in excess of it, it might be \$1,000 in excess of that, certainly not much higher.

There's a total of about \$900 million in funding from the Ministry of Community and Social Services for the developmental service field in general. There are approximately 45,000 individuals served through transfer payment agencies. Of that \$900 million, \$59.1 million was allocated to special services at home, so it's a very small portion of that overall large budget.

Requests, as I indicated, were approximately \$20 million higher. There were requests that totalled \$82.9 million. In fact, only \$56 million of the \$59 million that was allocated was actually used. So you may be wondering why a program that is so popular underspent by more than \$3 million. I want to take a moment to talk about that and identify some of the issues with the program.

First of all, there's a very serious issue of crisis proportions for families in finding workers. In recent years, families have found it increasingly difficult to find workers who can provide the kind of support that their sons and daughters need. This is a very serious crisis, and in the Toronto area, where you can appreciate that life is very complex and the cost of living is very high, the allotment to special services at home was underspent by \$2 million because families couldn't find workers. They simply can't find people who are prepared to work for the wages that are paid. The cost of living has increased, public sector wages have increased, but SSAH workers haven't had an increase in 10 years. The increases in the funding levels of the program have been used to add more families, not increase the amount of money available to the families receiving the service, so families haven't had the option of increasing wages and paying

competitive wages. In fact, the average wage is \$10 an hour and there are some families that currently pay minimum wage.

Another serious problem is underfunding. In fact, families requested \$20 million more than was allocated. The current maximum funding level is \$10,000. When families apply, that's what they're keeping in mind. They're not making applications based on their real needs. They're making their applications based on their knowledge that the funding upper limit is \$10,000 a year.

There are virtually no other service options available for families and I want to underscore that point. It's not like families can say, "Special services at home is one option, it's a good one, the one we prefer, but there are other options if we don't get enough support through this funding." There are no other options available right now to families in Ontario, so these additional needs are unmet and they create significant stress for families.

The organization I work for, where I'm the executive director and where Audrey Cole is the president, is the Brockville and District Association for Community Involvement. We help families with the administration of, and a lot of the work around, their special services at home funding. We've been doing that for many years. There are currently 49 contracts averaging about \$6,000 each that we help families with. Those contracts provide an average of 475 hours of service annually to the family or families. In 1985 the average annual hours of service were 504. This represents a loss of service to families rather than an increase. So the funding is further strained as a result of the increasing cost of living, which affects workers, the increased needs of family members with disabilities and increasing numbers of aging families with children who are at home who have very high needs.

Another issue with the program is that the funding is not annualized. Families are required to apply every year, despite the fact that it has been a program that the ministry has consistently supported since 1982. The ministry refers to it as a program of last resort, which means that families are required to apply each and every year after demonstrating that they've tried to access other services. I want to underscore again that this is particularly painful to families because, were other services available, many families might take advantage of them. So it's ironic that they're then required to turn back over a 20-year period to a program that's identified as a program of last resort.

The application process demands that families accentuate their child's weaknesses rather than their strengths. This is very stressful and negative, particularly, again, since there aren't any other service options available, and also problematic, because the families have no guarantee that they're going to get the funding year to year.

The impact of this is well summed up by a parent from Toronto, Gillian Chernets, who says, "Stress doesn't come from the disability, but from the fight that is required to get what we need so that our children can be included. We have to beg each year." I can say with a

great deal of authority that the other 15,999 families receiving this program would say very much the same thing.

Another issue is lack of portability. Special services at home funding is for families. We believe it's important to provide families with funding. We believe this is a good program. We certainly want it to continue. However, it is limited because the person with the disability has to live in the family home in order for the family to receive the funding. When the family member with a disability moves away, they lose their funding. Again, there is no other funding available. There are no other program options available to people. Waiting lists are huge. The contribution that the ministry is putting into our field, after a 10-year drought, is really not providing any additional service, frankly. There are virtually no additional services. That means adults with developmental disabilities who live at home with their parents can't move. They must remain at home because there are no appropriate support options available to them. This is very restricting, preventing people from moving on with their lives. Of course, it increases the stress faced by aging parents who are looking at the future knowing that they're not able to plan for the security of their sons and daughters.

I'd say again on behalf of the organization we represent that this is a key issue we've identified as being extremely urgent for many of the families who are members of our organization.

A fifth issue is that adults with physical disabilities should be funded through this program as well. In 1989 the ministry extended special services at home funding to adults with developmental disabilities and children with physical disabilities. It's certainly time that adults with physical disabilities should have access to this program as well. We believe there is nothing magic about turning 18. This is an issue in other funding areas as well for us. Just because you turn 18, your life doesn't change, your disability isn't fixed and your circumstances don't change. So 18 shouldn't be used as any indicator that funding can stop, because there is nothing equivalent available for adults.

We have some recommendations for the government about what we believe should be done at this point. If special services at home is to remain a vital resource to families, as it has been, then we think these recommendations are aimed at ensuring its continued effectiveness. We certainly believe it's important to address the challenges faced in finding workers. At the very minimum, \$800,000 should be added that would enable providing an increase in wages.

To address the issue of underfunding, the special services at home program should provide an additional \$20 million immediately, in accordance with the requests that families made last year. Such an investment makes tremendous financial sense as it saves these families from having to apply for support from far more costly programs, frankly. Future increases, in fact, should keep pace with families' requests for service in order to avoid

the need for more costly supports. We believe it's a good preventative program. It's cost-effective, and it allows for very meaningful and worthwhile objectives to be met.

1310

We believe the program should be annualized. The government should listen to families who say that it should be a program of first choice, because in addition to the many positive attributes and advantages of the program, it is cost-effective. Families like it, it's flexible, it works very well and it makes sense to expand this program.

We believe the funding should become portable so that when an adult with a disability leaves home, their support can move with them. We also believe that the funding should obviously be made available to children with physical disabilities.

Thank you for the opportunity to present this information to you. In closing, in addition to what Audrey is going to say, I have a couple of comments from some parents in other parts of the province.

Alison Ouellette in Windsor says, "SSAH have been a lifesaver for our family providing us with much-needed respite from the daily stresses so we can enjoy our son. By giving money to families it reaches those needing it most urgently, without a lot of extra cost for administration."

Harry Pott of Brockville says, "SSAH is a sound program of support partly because it enables people with disabilities and their families to control the quality of support received by the person with a disability."

Finally, another parent states, "This is the best type of support we have for our children."

Ms Cole: Thank you for giving us the opportunity to speak. I'm speaking here as one of those rapidly aging parents to which Beth referred. I should say that our son is 37, almost 38. I am almost 75. My husband is almost 84. Our son has lived at home the whole of his life. We must have saved the government millions of dollars because the only other opportunity or alternative that would have been offered to our son had he not stayed at home for much of his life would have been an institution.

We find special services at home has enabled our son to get out into the community with personal support, to be recognized in the community, to hold little jobs, none of which he is paid for but all of which contribute to his well-being significantly. Our son doesn't speak, he has very limited language mechanisms, but he communicates extremely well and people do understand how to communicate with him once they get to know him.

We're desperate at this stage in our lives because there are no alternatives that would in any way help him to continue that kind of inclusive life that he presently is enjoying. It is only for a short while that he has had that, because it took us I can't remember how many years of special services applications and appeals to reach a point where, largely because of my health problems and my husband's health problems, we reached almost that limit. So it's a constant struggle, and it's a very insulting process.

The problem is that if we don't have more money in special services to enable us to provide this kind of support for our son, the alternative is segregated programs. I'm going to just explain why that is no longer an option for us.

Until recently, our son was still in a segregated day program. During the 15 years he was in that program, he was sexually assaulted, he was physically assaulted more times than I can remember and recently, just over a year ago, he was left behind on an off-site visit. The staff simply forgot him, and he was found there by other people who made the necessary arrangements.

There is no accountability in those segregated services. The ministry can't even force the agency that neglected him and was so irresponsible and negligent so many times to pay us the equivalent to provide an alternative to what he was actually getting in that segregated program. It's over our dead bodies that he will go back to a segregated system. There is no accountability. There may be financial accountability, but there's no real accountability to the individual.

Special services at home is the one program I'm aware of in this province that provides that accountability, because you choose the staff, you decide what will be done and the staff become totally committed to the well-being of that person. That doesn't happen in programs that serve people in congregate styles. As in that quote from Harry Pott, it's the only program which enables the individual and the family "to control the quality of support" that they get, because the worker becomes accountable to the individual.

We are fearful in our family, because right now, unless there is portability to that program and unless that little bit of money we already get could go with our son once we were no longer here and he was out of our home, if that doesn't happen, there are no alternatives for him other than some kind of institutional care, and that to me is criminal. We work all these years to provide a decent, dignified alternative, and the best anyone can suggest to us, should we no longer be here to care for our son, is that he will have to go into an institution. That's the greatest insult that a government can impose on families such as ours.

It's very real. It's a very cheap program, and it's the best value of any programs I know, and I've been in this field ever since the day my son was born. There aren't any other programs in Ontario for people with intellectual disabilities that match this in value. It simply has to have more money, because to break people off suddenly, for example, at the death of their parents, and place them in a segregated, congregate kind of care facility would be absolutely criminal. Thank you.

The Chair: I must inform you that you've used all the time, so there won't be any time for questions. On behalf of the committee, thank you very much for your presentation this afternoon.

The committee will recess until 2:30 this afternoon.

The committee recessed from 1318 to 1429.

The Chair: Good afternoon, everyone. If I can get your attention, we'll bring the committee on finance and economic affairs back to order.

There's one order of business and I'm going to have to seek unanimous consent. We have one cancellation tomorrow morning at 10:40 in Waterloo. I did get a call last night from the Council of Ontario Universities. Is the committee willing to fill in the empty space with this group, or just leave it vacant?

Mr Christopherson: Not that it's really that relevant, but who cancelled?

The Chair: Conestoga College.

Mr O'Toole: Who wants to apply?

The Chair: The Council of Ontario Universities. Do you have any problem with that?

Mr Christopherson: No problem at all.

The Chair: So we're agreeable to that? We'll inform them that they can take that spot?

Mr O'Toole: Do you need an official motion?

The Chair: No. As long as it's agreeable to the committee, that's fine.

Mr O'Toole: As long as you write it in the record, that's fine?

The Chair: I think we probably have it in the record anyway, through Hansard, but that's fine. I don't think we need a motion on it. Thank you very much.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 26

The Chair: Our first presentation this afternoon—and I did use one minute, so I'll give you an extra minute—is from the Ontario Secondary School Teachers' Federation, District 26. I see the presenter is comfortably sitting there. I'll let you introduce yourself for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Greg McGillis: Thank you very much, Mr Chair. I'm Greg McGillis. I'm president of the teacher bargaining unit of District 26, and president of the district, as well. I've been involved with the federation for some years. I'm also a parent of a four-year-old girl, by the name of Brontë, who is currently studying at a French school. I've written this to some extent with her in mind. I hope you find it engaging. I really invite you to take the time to think about some of the thoughts.

Funding in the education area has become the issue that eats other issues. No area is unaffected by cutbacks entirely. Problems with the new curriculum are compounded by too little training and not enough resources or time. School facilities problems are exacerbated by an unrealistic pupil accommodation grant and no money for new schools or adequate maintenance. In order to provide a starting point for your reference, I thought it might be important to offer specific concerns that teachers and others have with the effects of government underfunding.

You always run into this problem making these presentations: do you go local or do you go provincial? Frankly, I know mostly the local. So I thought I'd better

come in and tell you what is going on where I am, and best give you an idea of what the needs and the concerns are, and somehow link that back to what's going on at the provincial Legislature. Because everything that is going on in education—teachers always used to say, "That's fine. They're changing the curriculum again. We're going to get one more policy memorandum or something like that." Frankly, I read the document, prepare my classes, go in, close the door and do my job the best I possibly can. It's increasingly difficult to do that. That's the message I'd like to portray here.

Increasingly, teachers are suffering from LTD issues—extended health. I just found out recently—and really too late to give you the figures—that over the last three years we've had triple the number of deaths we've ever had in the last 30 years among practising teachers in our board. So our insurance rates have literally gone through the roof. It's caused a minor crisis in our board. Definitely, the idea that people in our classrooms are getting sick from their jobs is a problem. The fact that so many of the support professionals who are involved are getting sick as well, and that so few of them are able to continue to the extent that they can, is a problem as well.

The paradox of recent change is that few governments have had such an activist, perhaps even ambitious, plan for education, yet no government has ever undercut their own efforts with such enormous real funding reductions, increases in workload and excessive bureaucracy. I never thought I would say that about a Conservative government. I always thought that the idea was to run it lean and mean. Certainly, the mean part isn't out, but I'm not sure that the lean part is correct. The amount of reporting that's necessary at every level is surprising. As a president of a federation, I see what the board people and the support people have to do.

From the beginning, the ISA grant application process has been flawed in the extreme, for a very long time. How is that a funding problem, you ask? The main reason it's a funding problem is, first of all, the obsession with "accountability"—when I say that, I put it in political quotation marks. There is a real problem with trying to get every last possible cent to be accounted for in every possible way.

The fact of the matter is that you can't really explain, unless you take a student down to Toronto and sit them in front of someone, just how profoundly disabled they are in some cases. So many of those students are not getting help. Many of them are dropping out of the system. Many of their needs are not being met. They will form the vast majority of our prison population. I know you hear this a lot, but it is true. They will also form the vast majority of what is a growing underclass, I believe. I'm not one to talk about class warfare, but I am concerned about the social inequities in a way that I've never been before. So we should be awake to those.

I should point out as well that previously others have come with me to these presentations. The sense of futility has grown in the schools and the sense of morale is so low that people are simply, at some level, saying the only

thing that will fix this is an election. I do believe that if you're going to make cuts, if you're going to make changes of these kinds, and if you're going to destroy what was an admired system to the rest of the country, you should have to look those people in the eye. I'm one of those people. I came from the classroom; I will return to the classroom shortly. I have no intention of not making it clear that my colleagues and I are extremely concerned with what's going on.

I am submitting on behalf of approximately 900 members of the Ontario Secondary School Teachers' Federation. That includes a whole bunch of different people, including psychometrists, psychologists, teachers and others. Upper Canada covers 12,000 kilometres, 18 times the size of Toronto District School Board, and serves 40,000 students in total. The board is the result of the forced amalgamation of four predecessor boards: Prescott-Russell; Stormont, Dundas and Glengarry; Lanark; and Leeds-Grenville. Each of our 17 rural high schools serves an area larger than the boundaries of the Toronto District School Board, which has 14 high schools—114 high schools; pardon me. There's a Freudian slip for you. I wish that we had 114 high schools.

Whole areas of teaching have simply not had proper guidelines in over 20 years. Despite the perception of the government that suggested the curriculum hadn't changed in many years, OSIS was only really conceived in 1980. All of OSIS had still not been delivered. In fact, it was a previous Conservative government that first introduced OSIS. It had only been the previous government before the next change occurred, which was the Common Curriculum. The Common Curriculum was then almost stillborn. It provided five or six different guidelines. People were still adjusting to that and its entire change in philosophy—it was a radical departure from what had gone before—and then we had another radical departure from what had gone before, completely different from the other two.

So in 20 years' time, when the rest of North America and the world has mostly been concentrating on educational evolution in terms of curriculum and improving the practice in the classroom, we've had ministerial and regulatory tinkering on a grand scale so crippling to the system, so completely poorly implemented and then so completely underfunded, that there's no question that the students in this province are not being served by the policies.

It's the policies that are the problem. I go back to the American campaign line that Clinton had: "It's the policy, stupid." It really comes down to the money and the policy—the rate of change, the lack of money—and you keep coming back to it. The funding formula, the lack of money and the way that this government implements its policies have become the major issue in education. That's for parents.

We were just down walking along the street here. We happened to go into a place. The woman at the insurance place—they own their local business—was very con-

cerned about her daughter in Canterbury High School, which is in great danger. We explained partly what's going on there and she rightly was outraged that some of these problems are occurring. She was very concerned and wanted to know more. Parents—and grandparents, in her case—are very concerned about what's happening in their children's education. But the government doesn't seem to have gotten the hint yet.

I'm going to leave it to the questions, except for one little bit. What I've done is I've given you a whole selection. I just called around the schools. Sometimes the first person I talked to went out to friends and colleagues and said, "Could you maybe help me? I'm going to sit down and write some stuff that we need. This is going to the finance committee." "What's the finance committee?" "Be quiet and just help me here. I want to write this up, OK?" That kind of thing. This was done on a completely ad hoc basis, not scientific at all, but it is, I think, valuable as an insight into what's going on in the classrooms.

I direct you to page 9 of 18, the professional student services personnel. These are the people who provide the ongoing help to special-needs kids. "Government red tape consumes a greater and greater portion of their time and most psychologists now almost never see students, they are so busy feeding the vast bureaucracy created by the government's funding formula. In particular, all ISA funding is dependent on these people working as a team to adequately document and justify every penny that comes to the board through this line. If PSSPs were funded based on pre-Bill 160 levels their numbers would have to triple. If enrolment increases were factored in, then the number would be at least quadruple. It is difficult to say what the level would be if the board were required to meet the needs of all students fully under the legislation." She has a bunch of suggestions here, and I hope that you'll take the time to go over them, but I'll accept questions about that.

The next one would be page 11, which is the Thousand Islands Secondary School, Gary Simons. He offers a wonderful summary here of why you need textbooks. It should be evident, except that it's not evident, because the regulations, the policies, the funding and the funding formula simply don't recognize the ongoing need for textbooks in classrooms—incredibly.

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Let's take it to where he talks about the textbook situation, on page 15. I'm going to skip over all that and go right to "The World According to Our Textbooks."

"The new grade 12 university stream Canadian history course will use *The North Americans*, by James Christopher, a text purchased in 1988 for the Can-Am course. It refers to the Cold War as an ongoing problem. The US president is Ronald Reagan and our Prime Minister, Brian Mulroney, has just started his second term. The Canada-US free trade agreement is about to be approved. Calgary will soon host the winter Olympics. René Lévesque is the leader of the PQ, and Mulroney is trying to gain approval from all provinces for the Meech Lake

accord. The text includes excerpts from two new books: Richard Gwyn's *The 49th Paradox* (1987) and Gary Willis's *Reagan's America* (1988). International relations issues include the US Iran-contra affair and the US attempt to end Daniel Ortega's government in Nicaragua. Mikhail Gorbachev's reforms in the USSR are not mentioned, nor is the fall of the Berlin Wall or subsequent changes in Europe. (Not to mention the collapse of the Soviet empire, the reunification of Germany, no mention of Saddam Hussein, the Gulf War, the collapse of Yugoslavia and the genocidal civil wars in Bosnia and Kosovo, NAFTA, globalization of trade, transnational corporations, gay rights, neo-conservatism, the Internet revolution, the Somalia and Rwanda UN fiascos, the Rio and Kyoto environmental accords, the 1997 Quebec referendum, and Jean Chrétien as Prime Minister.)

"Our grade 12 university stream World Issues course"—this is what prepares students to go and study at the university level; this is what we're proposing for people to leave high school to study at the bachelor's degree level, and there's no funding to change this—"still uses *World Prospects*, an OAC-level text purchased in 1987. Its final section examines South Africa and apartheid. The text expresses the hope that the repressive apartheid regime might end at some future date. The text also tells readers that the map of Europe has not changed since 1945. The USSR is still treated as a united country and the Warsaw Pact is the greatest threat to NATO. Germany is still divided, and Czechoslovakia and Yugoslavia are still united countries. Recent examples of terrorism cited in the text include attacks at Athens and Rome airports in 1985 and US retaliatory air attacks on Libya in 1987 after the Lockerbie bombing. Mohammad Ghaddafi is the major international sponsor of terrorism. The section on energy issues includes coverage of the recent Chernobyl nuclear accident (1986). Major US foreign policy concerns include the Iran-contra affair, the aftermath of the invasion of Grenada (1983) and growing US opposition to Daniel Ortega's socialist government in Nicaragua.

"At least four of our current texts are so old that: IBM PCs and Apple IIs are mentioned as cutting-edge technology; eight of our present staff were in high school, and five were in elementary school when we bought these books; and two students whose names are in these books have since graduated from high school, graduated from university, graduated from a faculty of education, gotten married, had two children, and have worked on our staff for at least five years!"

That is the state of history education today in the province, and there's nothing that the government has done about it. I'm accepting questions now.

The Chair: Thank you very much. We have three minutes per caucus and I'll start with the official opposition.

Mr Parsons: It's hard to get a question. Up until last year, I served on a school council. I left that because we have another child who started school, so I became a

parent in a different role. Is it fair to say that one of the crises you've faced is so much unplanned change so fast?

Mr McGillis: Absolutely. I guess the problem is a combination of the fact of unplanned change so fast without the proper supports, without even the conception of proper supports, and finally the fact that there's a belief somehow, somewhere, that you can actually create change by simply pushing a button and making it happen. It simply has never occurred. Governments are always bad, I think, at implementing things—every government is—but this government has taken the cake by essentially not even making an effort. The crazy thing is that when Mike Harris gets up, as he did recently, I guess yesterday, to say that he should have done things quicker, it puts the fear of God in all of us, I think.

Mr Parsons: I've always believed that a good place to learn is a good place to work, and vice versa. We've seen the role of school boards change dramatically, where as a federation you had more involvement in the budget process, negotiations and so forth. What do you see as the idealized role for school boards?

Mr McGillis: School boards ultimately don't have any accountability. It's a reversal of what the rhetoric or the alleged political status is from the provincial government's point of view. School boards should ideally be local citizens who make decisions locally about their needs, who have some control at least over what kinds of needs their children have, how they're going to prepare their children for the future and how they're going to run their community. I honestly believe that the more you make school boards viable, the better they will be. I think the role of school boards is that you should be taking your cues from them. I sometimes hear people say that school boards are, in some cases, overspending. I've heard that claim. I've heard the claim that they weren't accountable. I think there are local political reasons in every case for that, and that's part of politics.

Do I think that everything about the provincial government currently is working just fine? No. Do I think that any elected government in the last 200 years in North America has done everything perfectly? Absolutely not. The problem right now is not school boards, and I don't think it was before either. Full funding that was not properly funded for was a problem; it cost \$1 billion. There was a lot of change in the system. The social contract created a lot of problems. That meant there was defunding already going into the system, but at the same time boards had control over their own destiny. If they were going to raise taxes, they had to go back and be accountable locally to their local constituents and answer questions about that.

Mr Christopherson: Thank you for your presentation. It's going to be interesting watching you shadowbox with the government members because you're going to want to talk about the real issues, one of which is that there's not enough funding to do the things you're mandated to do, and they're going to want to talk to you about everything but, so be ready.

Mr McGillis: Well put. Thank you.

Mr Christopherson: Check Hansard; that's the history.

Just to follow up on the textbook issue, is it just one particular area, like just the poli-sci area, where you're behind, or is it right across, in all the subjects?

Mr McGillis: It really is right across, in all the subjects. In fact, when they say textbooks, they really mean curriculum materials. That includes buying the pickled pig that you get for the OAC course or the gerbil that you're to operate on or the frog for the grade 9 course, those kinds of things. It can be actually having the stuff necessary to run a Bunsen burner, those kinds of things. You're talking about a very large group of stuff in order to run a class and it comes down to math.

Surprisingly, the perception of people who are not experts in math—most of us—is that math hasn't changed in 100 years. Well, in fact math is exponentially growing and seems to change almost overnight, and even that has an effect in the classroom. We have to prepare students for more and more unusual kinds of concepts, things that have changed in math in the last few years.

It's true of science. It's remarkable the kinds of things that have been left out of science textbooks because 20 years ago it simply never occurred to them to put them in. Our students are not prepared, I think, in part for the content, but they're also not prepared for the kinds of concepts and for the kind of thinking that's going on. I gave you the history one because I think it's funny. It is funny, but it's also tragic. It's a tragicomedy here. It's terrible that it would occur this way. Hopefully we'll never have to laugh again about that kind of thing.

Mr Christopherson: We've had testimony that in some schools not only do they have to share books in the classroom or share the books between classrooms, but some of the principals have to pack up their texts and actually share them with other schools. In addition to hearing about dog-eared pages of photocopying, that is the best they can do in terms of dealing with lack of actual textbooks. Have you experienced those too or are they unique to elsewhere?

Mr McGillis: It's ironic. No, in fact some of the strange things that go on in schools now have become so common that we're forgetting they're unusual. You mentioned, and of course it seems ridiculous, that there is only one set of math books for a particular course that's taught in three different schools and it is literally shared between those schools because, based on whenever the school hits that particular section of the curriculum, they have to be able to pack them up and send them across. Everyone has to teach based on the scheduling of other schools or when they're having these courses and at what point this particular thing is offered.

It's rough on the books, it's rough on the kids, it's rough on the teachers. It doesn't work.

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Mr Christopherson: I can remember, and I'm going back, as time goes by, further and further, but when I was in school you were hard done by if you were one of those that had to use a book that somebody had used the

previous year so that it had one year's battering on it; it had a name in it. You avoided it by just being at the end of the line when they were handing out the books, because the teacher handed out the used ones first and then cracked open the new boxes and handed out the new ones. The worst that happened was that you were somebody who got the same book, same version, but just a year older. That seems like the garden of Eden compared to what's going on now.

Mr McGillis: Yes, the idea of new books seems really unfamiliar to us now. We're not used to the idea. Most of it is scrounging from other places. Some places will stop offering a course in a certain way and what you'll do is consolidate four or five schools to get one course of seven books.

The Chair: Thank you very much, Mr Christopherson. We've run out of time.

Mr Galt: Just in response to Mr Christopherson, if we didn't have to pay over \$9 billion in interest on the debt—we continued at the rate of an \$11-billion deficit every year, adding \$1,000 to every man, woman and child of their debt for the last six years of being in office. We'd be upwards of \$200 billion in debt. Have a look at what they did. Yes, they spent at the rate of \$11 billion a year. You went like crazy.

The question I want to ask you is, I see buses pull in, lined up at Queen's Park for students to do a tour of the facility. I think it's great. But they come to see the theatrics of question period, which really isn't very much about politics or governing the country. On this committee alone over the last three years we've been out to—well, I've been to at least 15 cities, maybe approaching 20. Probably during my term—from 1995, two terms until now—in the various committees I've served in, it's probably approaching 70 to 75 cities I've been in and out of and not once has a teacher brought some students to observe hearings. We're within four blocks of a secondary school that probably teaches politics. In this community there's not a single student as yet, and I doubt if any will come. I have never seen a student come to where real history, real politics, real decision-making is going on. Why doesn't this ever happen? I don't understand.

Mr McGillis: First of all, I'll admit to you that you always start students—it's no different from this committee as I try to make things familiar to you about what I'm talking about, because you don't live in the education system all the time; you're actually on the finance committee. I'm presuming that your main interest is probably budgets and the political aspect of policy-making. So I'm starting with what the specifics are.

Any time you meet with students and you're going to take students somewhere, you're thinking of the thing that's going to catch their mind, that's going to create an interest and is going to be dramatic.

I would say it's a great idea and I would propose it to all my members, except that they just don't have the money to make the kinds of field trips that they used to. Would I say that these can be very dramatic and very

interesting? Absolutely. It's a great idea. Right now the number of field trips is dropping substantially and there's a certain kind that's expected. Students feel if they don't get that particular field trip in their career, they've been very hard done by. It's just like the books. Every time we hand out the textbooks with other students' names in them, and the list keeps getting longer and longer and longer and you've got now 30 students in one textbook, that really sends a wrong message; there's a psychological problem.

The same idea: we're trying to keep the system together. It's a great innovative idea, let's take them to committee meeting and tell them how the inner workings of bureaucracy work. In fact, I'm not even sure that all teachers even understand the way this works, because it was a hard sell. I thought I was going to bring a teacher here today and they frankly don't believe that anybody's listening. So that's a main problem. There's a disaffection out there that's so great. I would like to counter it.

I believe in engaging everyone, regardless of whether I disagree with your ideas. You know, Mr Galt, I've come here for the last few years, and finance is not my expertise; I'll grant you that. I came here with John McEwen, before, when he used to present as well. I really did learn—there were some real discussions. I engaged Mr Beaubien, the Chair, shortly before the session, in a really interesting discussion about some specifics. But I don't see that education is going in that direction where you're seeing more visits to places that are unusual, different. That's not the kind of thing that's going on, and a lot of it is funding.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Mr McGillis: Thank you very much, Mr Beaubien.

OUR SCHOOLS, OUR COMMUNITIES

The Chair: Our next presentation is from Our Schools, Our Communities. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome.

Mr Mitchell Beer: My name is Mitchell Beer, and I'm co-chair of Our Schools, Our Communities.

With your permission, Mr Chair, I would like to add a quick response to Mr Galt's question just now. Not only can our school board no longer afford any field trips of any note, and not only is our board now deciding to close down some of the very special and unique facilities to which those field trips were sometimes sent, but I would add that our students don't really need a field trip to see history in action or see the results of the policies in this province, because they go on that field trip every day. It's called going to school. What you need to know politically, as far as the condition of the education system is concerned, is that in our schools our children are getting an object lesson every day in how this government treats them and how defunding affects them. That's their field trip. I wish we could do better, but we need some money before we can start.

Back to my prepared presentation: we're a group of Ottawa parents and other community volunteers who are desperately concerned about the impact of a provincial education defunding formula that has taken \$93 million out of our classrooms over the past four years, just as it has looted \$3 billion from public school students across Ontario. We come before you today with a very simple, straightforward message for the province's next Premier, finance minister, and education minister: it's time to pay the bills.

In this statement I'll give you a quick update on the budget crisis in the Ottawa-Carleton District School Board and on the extraordinarily courageous stand our public school trustees are taking in response to provincial defunding. I'll tell you a bit about the campaign we've launched—we call it Shame the Deadbeat Province—to remind our local government MPPs of their responsibilities to their constituents and of their government's responsibilities under the Education Act. And I'll leave you with some practical suggestions on where and how you should begin to reinvest in a local public education system that is truly hanging by a thread just a few years after the government's first education minister, John Snobelen, promised to create a useful crisis in our schools. Need I even say the words: "Promise made, promise kept."

But first, a word on language: our group talks about the education defunding formula, because we don't think it has anything to do with funding education when a provincial government sets out to eviscerate special education, bulldoze viable community schools, leave thousands upon thousands of children in portable classrooms that may or may not be toxic and disfranchise a whole generation of students who will never again have a chance at the quality of education they deserve; and we cringe when the education minister talks about stable funding, because we're sick of trying to explain that a small annual increase in education spending is actually a decrease when it falls short of inflation and increased enrolment.

We've been quite deliberate in choosing the name of our campaign: Shame the Deadbeat Province. If we as parents were failing to provide the basics for our children, the province would call us deadbeats and come after us. If we as taxpayers were late paying our taxes, the federal and provincial governments would track us down and that D-word would probably come up again, sooner rather than later. After years of watching our schools and classrooms deteriorate and watching thousands of high-needs children fall through the cracks, we feel that someone has to be the grown-up, and so now it's time for parents and other voters to call the deadbeat province to account.

In Ottawa we face our own version of the school budget crisis that is playing itself out in public school boards across the province. Make no mistake: you need to know, especially on the government side, that we know we're not alone.

The government sent our school board out to negotiate contracts with teachers and other professionals, but set maximum salary levels that were lower than the negotiated pay scales that were in place when the defunding formula took effect. The result? The Ottawa public board is short \$4,000 for every teacher on its payroll and \$10,000 for every educational assistant even though teaching salaries are just about right on the provincial average. The situation with educational assistants is partly a matter of definition. The ministry assumes that EAs are paid to monitor lunchrooms when many of ours are qualified and needed to catheterize children and provide other forms of front-line support to students with profound special needs. This year the salary gap totals \$26.4 million out of a total budget in the \$500-million range.

In special education we have 3,800 children on waiting lists for assessment and many more who aren't even being listed. There was a time in our community, not 10 years ago, when there was no waiting list for special education. Parents and children are now waiting up to four years for testing, unless they can afford private assessments at high cost. Some parents have been told that schools are only prioritizing special-ed assessments for children who are suicidal. As for actual service delivery, we've heard of children with a tendency to throw furniture and others who must bring their oxygen tanks to class, for whom the board cannot afford one-to-one educational assistants.

Our funding for school maintenance falls far short of the amount that is really needed to keep a school clean, safe and in good repair. Our board estimates its maintenance backlog at \$280 million and rising, on capital stock of about \$1 billion.

1500

Our per pupil transportation funding has been far short of our coterminous Catholic board ever since the defunding formula froze transportation grants in the late 1990s. At the time the formula took effect, both public boards in Ottawa-Carleton had made their busing more efficient and reduced per pupil costs in order to divert local tax dollars—in the days when we had local tax dollars—to the classroom. The two coterminous separate boards had not taken the same step. This year, we receive about \$150 less per student to bus children along the same streets to essentially equivalent schools.

The other headline issue for us is the province's refusal to fund school boards in a way that recognizes inflation and enrolment increases. In Ottawa, truly stable funding would have meant a funding increase from \$556 million to \$627 million since 1997. This year's funding stands at \$504 million, and our board is being asked to cut another \$33.7 million this year and an expected \$14 million next year to balance its budget. We're here to tell you that our schools can't take it, our students deserve better and our community won't stand for it. Furthermore, if we keep hearing the minister talk about stable funding in the guise of further cuts, we're going to have to start asking which end of the horse she's trying to

sell us with her publicly financed PR campaigns and exactly which end of the horse she thinks we are.

There isn't time today to enumerate the dozens of other areas where our schools are underfunded, but there is one glaring disparity that we have to bring to your attention, and government members should also note that it's an easy one to resolve. As most of you probably know, until this year the province's pupil accommodation formula would only allow grants for new school construction in boards whose student population exceeded the rated capacity of the schools. We've had major problems with the requirement for 100% utilization. The capacity in many of our schools has been miscalculated, and no other kind of building, public or private, is expected to operate at 100% capacity.

But the other issue was that school boards like Ottawa, Hamilton, Halton and Kawartha Pine Ridge faced a peculiar problem. We had pockets of overcrowding with, in our case, thousands of children in portables, even though capacity across the board was below 100%. In Ottawa, the province's dogmatic insistence on a 100% capacity standard led to a three-year school closure process that pitted schools and neighbourhoods against each other and led to the loss of five viable community schools.

Meanwhile the government was hearing from parents, trustees and its own Education Improvement Commission that it would be a good thing to recognize pockets of overcrowding. Incredibly, somebody was listening. The May 2001 general legislative grant regulation contains a provision for new school construction grants where pockets of overcrowding exist. It's far from perfect, it doesn't cover operating costs and makes it harder for a growing school board to fund the next round of new school construction. However, the new provision would have given Ottawa students some immediate respite while the grown-ups slogged it out around the technical details of the defunding formula.

But there was a catch. New school construction grants in pockets of overcrowding are only available to school boards that are below 100% capacity. We assume the rationale is that boards that are above 100% can get construction grants by the usual means. In Ottawa the problem is that we recently slipped over the 100% threshold by closing those five elementary schools and gradually increasing our enrolment. Now that we are over 100%, we qualify for about a million dollars in construction grants over the next 25 years. But if we were still below that magic 100%, we would qualify for \$5 million a year, not \$1 million.

The bottom line is that Ottawa is missing out on \$100 million in construction funding just because our previous school board followed orders and closed more schools than it should have. We should have shovels in the ground on four new schools right now—today—if not for a bizarre and eminently repairable glitch in the formula.

Our good-news message for ministers Ecker and Flaherty, quite frankly, is that our community is on to them. In a Decima poll this past January, 76% of Ottawa

residents agreed or strongly agreed that our schools are underfunded and that the province is to blame. Even more significantly, in November 2000 school board elections, Ottawa voters cast their ballots for a marvellously courageous group of trustees who have spent the past 15 months gathering data, marshalling evidence and letting the province know that education defunding in Ottawa is no longer acceptable.

In July the Ottawa-Carleton District School Board refused to pass a budget that would have represented an abdication of trustees' responsibility to the children and taxpayers in our community. Trustees begged Minister Ecker to send in a financial investigator to satisfy herself that their numbers were right. The minister accused the trustees of political posturing and then went on vacation.

In October trustees published Formula Facts 2, a copy of which I've given you in PDF. It was a report to the community that documented a \$180-million gap between the provincial funding our schools receive and the dollars to which we're entitled. Formula Facts identified annual spending gaps of \$41.6 million in special education, \$3.5 million in English-as-a-second-language programming, \$3.9 million in French-language programs in Canada's bilingual national capital, \$9.4 million in guidance and library teachers, \$14.3 million in learning technologies, \$10.2 million in textbooks and school supplies, \$5 million in transportation, \$2.8 million in new school construction, and there were other items as well.

Earlier this week, in the wee hours of Tuesday morning, our trustees adopted an accountability budget that includes a \$50-million account receivable from the provincial government. The \$50 million includes the \$26.4-million salary gap, \$3 million for inflation, \$5 million for student transportation, \$5.6 million for textbooks and learning materials and \$10 million for school operations, maintenance and renewal. This budget is our community's only alternative to budget scenarios that would have cut another \$12 million from special education, eliminated junior kindergarten, increased class sizes, closed nine or more schools and eliminated most busing or charged user fees for transportation.

The accountability budget reflects our trustees' assumption that the government of the wealthiest province in what is supposed to be the best country in the world in which to live would be unwilling to abdicate its fiscal responsibilities under the Education Act. Some of them have suggested that international rating agencies like Moody's might be a little bit confused to learn that a major provincial borrower—I'm sorry; there's a mistake in my text here—was defaulting on its financial obligations. Some of our members have thought about fundraising for an ad in the Wall Street Journal to put international investors on notice about a provincial government that won't pay its bills.

As parents and taxpayers, we are desperately grateful that our trustees won't rest until our schools are properly funded, and you need to know that the community is behind them every step of the way. Our Shame the Deadbeat Province campaign includes a pre-election canvass

in Ottawa's four Conservative ridings to make sure the voters have the facts about the school budget crisis.

In the end, we want the money sooner rather than later so that our teachers and other professionals can begin mitigating the incredible, immense damage that has been caused by seven years of brutal provincial defunding. We know we're going to get it in one of two ways: either our local MPPs will have their political instincts triggered by constant calls from angry constituents, or they'll find themselves looking for day jobs after the next election. Either way, sooner or later we know we have no choice but to win this fight for our children.

In this statement I've suggested some specific areas that cry out for immediate provincial reinvestment. Some parts of Ottawa's school budget crisis have developed over a period of many years, and we wouldn't expect them to be solved overnight. For this year's budget we have three recommendations:

First, pay your bills for the salary gap. By taking over sole authority for education funding but leaving school boards responsible for contract negotiations, the government essentially took it upon itself to cover the contracts that trustees negotiated in good faith. In Ottawa the salary gap is worth \$26.4 million for the coming school year.

Second, begin reinvesting in special education. In Formula Facts 2, our trustees identified a \$41.6-million gap in special-ed funding, not including the \$12 million we'll lose this year if the province continues to ignore the salary gap. An initial instalment against the \$41.6 million would bring some short-term respite and flexibility to an area of our board's operation that is in desperate need of both. We would consider \$20 million, or roughly 50%, a reasonable starting point for this year. We'll be back for the rest next year.

Finally, fund new schools in pockets of overcrowding. This is a perversity in the education funding formula that I've already explained at some length. It's worth noting that the four communities at the top of our board's new school construction list are in ridings currently held by Conservative MPPs. So, if I may be so bold, this is a great opportunity for the government to fund the pupil places in the next budget and take maximum political credit, knowing that the costs will have to be paid out over the next 25 years by a government of another political stripe.

Before the session, Mr Chair, you asked me the total per pupil cost of what we're proposing here. The total value is \$50.4 million. We didn't realize until you had me add it up—and thank you for that—that we're within not very much of the \$50 million our trustees are asking for. It equals \$630 per student, based on about 80,000 students in our board.

This concludes our formal presentation. You have Formula Facts 2 and also our own lifeline budget on your desks. I've also brought a bag of our buttons. They say, "Shame On Our Deadbeat Province." I'd like to tell you that they're available to government members in bulk for \$33.7 million. You can buy out our whole supply, Mr

Galt, if you like. But the actual cost is one dollar or whatever anyone would like to donate.

The Chair: We have one minute per caucus, and I'll start with Mr Christopherson.

Mr Christopherson: As you noted earlier, the conversation I told you wouldn't happen didn't.

Mr Beer: Duly noted.

Mr Christopherson: We'll see if you're any luckier on the second go around.

I want to focus on special ed, because it's come up as a top priority in virtually every community we've been in and in every school area. Whether we're talking elementary or secondary, Catholic or public, it's huge. I noted in the written text that you said 3,800 children are on waiting lists for assessment, and some aren't even being listed.

1510

Mr Beer: What's happening is that you don't get listed until you're two years behind on your school work. What's happening is that because the assessments are so far behind and people in our community have basically given up on getting the resources to do the assessments, teachers aren't putting kids on the list any more because there's no point giving them false hope. If their parents can't afford private assessments that run into the hundreds or maybe thousands of dollars, they're out of luck.

The Chair: Mr Galt.

Mr Galt: Thank you for your presentation. I'm rather disappointed that Mr Christopherson didn't listen last time. He keeps talking about the tax cuts costing money. I think you should have a look at the budget, Mr Christopherson, and see that the taxable revenue—

Interjection.

Mr Galt: I'm talking to you.

Mr Beer: Mr Chair, is this coming off my time?

Mr Galt: He's criticizing the government for not responding to you. If you happen to look at the budget, you'll find that the tax revenues have increased by 50% since we cut some taxes. There has not been any cost to the taxpayer. We did balance the budget. We're not laying on debt to our children into the future, as your government did for umpteen years.

Mr Christopherson: I'll gladly debate you, but I think it's the presenter we came to hear.

Mr Galt: That's where it's at: an \$11-billion debt—

Mr Beer: Mr Chair, having travelled at my own expense—

The Chair: Just a minute. Mr Galt does have the floor. If he doesn't ask a question, then I'll have to go on.

Mr Galt: I did ask a question, and then you didn't want to respond, because I was questioning expensive trips to Toronto—

The Chair: Question?

Mr Galt: —versus a four-block walk from the local high school to this room. You kept going on about dollars the board doesn't have for expensive trips. I was querying about coming to a hearing such as this in a community such as here, and I have yet—

The Chair: Question, please.

Mr Galt:—when I've visited with probably 60 or 70 committees; in that neighbourhood—to see a single student brought by a teacher to a committee hearing. That was the question I was asking: to walk to it, not the expensive trip to Queen's Park. And you kept on going about the expensive trips to Queen's Park.

The Chair: Mr Galt, I have to bring an end to it. I have to go to the official opposition.

Mr Parsons: Yes. I'm looking at the list of presenters today—the autism society, the town of Cobourg says it's going to get rid of busing for disabled individuals in this community, the school council association, the coalition against poverty, special services at home, your presentation, the previous one—and it's quite apparent to me who has paid the price for the corporate tax cuts: they're being paid in our classrooms.

I'm sure you had something else to do today. You've driven here at your own expense, and I appreciate that. All over Ontario I'm hearing from people who aren't communicating with each other but are saying the same thing as you, that our schools are in crisis. The price isn't being paid by the school boards or by the teachers, it's being paid by the students, who have become guinea pigs in this grand experiment.

You've detailed the problems, as you've identified them. What happens to the young people of your community if these problems aren't addressed?

Mr Beer: The magic and the challenge of a public school system is that it is the one opportunity for everybody to get a shot. If a child has come to Ottawa or Hamilton or one of the other major ESL centres having spent all their life in a refugee camp, maybe with major post-traumatic stress, they have a chance at a future if they can get the public education they need and deserve. A special education student has behavioural problems that motivate him or her to throw furniture. A public education system can deal with that.

It doesn't mean that everybody is going to have the same outcome, but it means everybody is going to have the same opportunity. And that only works if that system is funded.

David Foote, the demographer, said you don't do more with less, you do less with less. And across Ontario we do communicate with each other. E-mail is a marvellous tool. We communicate together; we organize together; we work together right across the province. We know that this government has looted \$3 billion from our classrooms across the province through its defunding formula. You don't do more with less, you do less with less, and a whole generation of kids aren't going to get that shot.

Mr Galt and his government talk about prosperity. They talk about building the economy of the future. The weasel words are right out there. Of course, our group believes in building the economy of the future, but you don't do that if you aren't building what people call the human capital. I don't like thinking of my daughter as human capital, I like thinking of her as a wonderful

seven-year-old with whom I'd like to be able to spend more time at home instead of coming to hearings like this.

The Chair: With that, on behalf of the committee, thank you very much for your presentation.

NORTHUMBERLAND COMMUNITY LEGAL CENTRE

The Chair: Our next presentation is from the Northumberland Community Legal Centre. I would ask the presenter to please come forward; if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Garth Dee: Thank you very much. I am here on behalf of Northumberland Community Legal Centre. The Northumberland Community Legal Centre is a legal clinic funded by Ontario legal aid. We provided services in areas generally known as poverty law. That means landlord and tenant work for tenants; we do work with Ontario Works claimants; Ontario disability claimants; workers' compensation claimants; we also, on the federal level, represent people with concerns with employment insurance and Canada pension plan—primarily Canada pension plan disability.

My name is Garth Dee. I'm a staff lawyer with the legal clinic. I have five topics that I've identified out of the experiences of our clinic that I wish to address to you today in your pre-budget consultations.

These are: first, gaps in the Ontario Works Act; second, inflation erosion of benefits under the Ontario Works Act, ODSP and workers' compensation legislation; the third is inconsistency in the government's policy with respect to what I'm referring to as "innocent overpayments"; the fourth is with respect to inefficiencies in the administration of justice through administrative tribunals in the province; fifth, I would like to address the importance of legal aid funding, which obviously affects us but also affects others in our community.

First of all, I'd like to talk about gaps in Ontario Works coverage. First let me say something about Ontario Works. There are a number of safety nets that have been built to protect the people in our society. The net that is built closest to the ground as the last protection against homelessness and as the last protection against not having enough food to eat is Ontario Works.

For policy reasons, there have been certain people who have been cut out of coverage by Ontario Works. I suspect that the people at our clinic, on our board and on our staff don't share the government's view with respect to a number of the gaps that have been created. I'm talking here about quit/fired penalties and lifetime bans for fraud, that type of thing. But that's not what I'm here to talk about today. I understand the political nature of those questions, and I'm not taking those on here today.

What I am asking you to take a serious look at are what I've identified as gaps in coverage under Ontario

Works. Particularly with respect to the government members, I'm asking you to take a serious look at these gaps and say, "Does it make sense to have these gaps in Ontario Works coverage?" In my submission, the types of people and situations that I will identify here who do not get coverage under Ontario Works are not justifiable on any policy grounds at all. These holes need to be fixed.

The first hole that I'd ask you to fix is a situation that involves applicants with insured loans. What we're dealing with here is a person who, while working, goes out and gets a loan. The loan may be used for any number of purposes, including buying a house, buying a car or for the purchase of consumer goods. When they obtain that loan, the person who loans them the money sells them disability insurance to cover the loan. A lot of these people are very cautious; they want to be able to pay their loans if in fact they do become disabled. And they accept the offer of disability insurance. They pay for it. Subsequently, they do become disabled in a number of cases, sometimes temporarily, sometimes permanently. They haven't gone on to ODSP benefits yet. The insurer, which is a separate company, usually, from the creditor, pays the creditor, as it should under the terms of the insurance plan. However, the person is without any money at all. They can't pay their rent; they can't buy food because they're not working.

So they apply to Ontario Works. What happens when they apply to Ontario Works is that they're denied assistance. They are either denied assistance or their assistance is reduced. You've heard a lot of people, I'm sure, talk about how difficult it is to live on Ontario Works. Once you start to take deductions off Ontario Works, it becomes almost impossible. And there will be a deduction from Ontario Works entitlement, dollar for dollar. Every dollar the insurance company pays the bank comes off the Ontario Works entitlement of the individual, and there is nothing that the individual can do to divert that income stream from the insurer away from the bank or financial institution toward themselves.

The rationale is that the loan payments are considered income to the person because they go to service the person's debt; however, the result of this is that you leave people without access to money for food or shelter. These people have exercised excessive caution in trying to avoid exactly that same circumstance, to the extent of taking out insurance against it, but the insurance in this case works against them.

If a person came to me for advice about whether they should insure a loan, my advice to them, based on the way Ontario Works acts, is if you have any question about your potential to need Ontario Works assistance, do not under any circumstances insure a loan. You will end up cutting your own throat with respect to your ability to put food on your table.

I'm asking you to recommend that there be excluded from the definition of "income" insurance payments made to creditors that cannot be accessed by Ontario Works recipients. Ask them to try to get that money from

the insurer, if they can. I have no problem with that. But if they cannot get that money and they cannot buy food, Ontario Works assistance should be there to help them.

1520

A second hole in the Ontario Works coverage comes with respect to people who use one loan to pay off another loan. A person might typically have a department store credit card with a couple of thousand dollars on it. The interest rates on department store credit cards are extremely high; they're 24%, 28%. It costs a fortune to keep a balance on a department store credit card. A person finds himself on Ontario Works, sees this amount of money accumulating each month and wants to do something about it. They find a source of a lower-income loan. It can be through a credit union, it can be through a friend of the family, it can be from any number of sources, but they're able to effectively reduce their interest rates from 24%, 28% down to a much more reasonable level. The problem is that in the month following the month you take out the new loan you don't get any Ontario Works assistance. Your benefits are cut off in the subsequent month. The rationale for that is that there is a provision in the Ontario Works regulations that says the proceeds of a loan are considered income.

I'm asking you to carve out an exception to that general rule, and the exception I'm asking you to carve out is to exclude from the definition of income the proceeds of a loan that are used to pay off another loan. So if somebody wants to act in a fiscally prudent manner in order to reduce the amount of interest they have to pay on a monthly basis—we're trying to get people to act in financially prudent ways. I understand that's the thrust of the government's policies. However, in this case when they do it, they're punished for it. I submit to you that's incorrect and it needs to be changed.

A third example is an example that wouldn't have existed just over a year ago. The regulations under the Ontario Works Act were changed about a year ago. This situation involves someone who owns a piece of property used for non-residential purposes. In the case of a homeowner, it might be a second piece of property; in the case of someone who rents accommodation, it may be a piece of property. We've seen this occur with people who own a share of a hunting camp or other people who have inherited property a few months previously. They're out of a job, they don't have any money. Again, they need to eat, and they apply to Ontario Works. Up to about a year ago, when you applied for Ontario Works the administrator would say, "We're insisting on your selling that piece of property. Make reasonable efforts to sell that property." However, that provision is no longer there. At the present time, if you apply for Ontario Works and you own a piece of non-residential property, even if it doesn't generate any income, you're considered to have assets in excess and you're denied Ontario Works assistance. So you have this piece of property, but you can't eat land. You need to eat, you need to pay your rent, and you can't do it. You list the property for sale, but it may not sell yet. We had one person come in with a

piece of property that was nominally worth some amount of money but it was pretty much a useless piece of property because you couldn't build on it. However, it was a second piece of property with a value in excess of their monthly entitlement for Ontario Works, and they were denied assistance.

We're asking you to restore the previous provisions. Allow a person with a second piece of property to obtain Ontario Works assistance. If the administrator needs to take a lien against the property to recover the value of any benefits paid, that's fine, there's no objection to that. What we do have an objection to is people who are without money and who cannot do anything about it. These are the most difficult people to counsel. In the first example, I counselled a gentleman like that. He was in desperate circumstances. I could not figure out how I could get him some money in order to eat, and I don't think he did anything wrong. In fact, I think he did everything that was expected of him.

I won't spend as much time on the second issue because I'm sure other people have talked to you about it, and this is inflation erosion of Ontario Works, ODSP and workers' compensation benefits.

Since 1995, when the rate cuts took effect, there has been no adjustment for inflation. In that time, cost-of-living increases on the CPI index have amounted to approximately 15%. What is happening is that inflation is being used in stealth to reduce the already low level of benefits that people are on. In the case of Ontario Works recipients, it's a level of income support that is almost impossible to survive on as it is. In the case of Ontario disability applicants, these are the disabled in our province, whom we indicate we want to support. We don't want to see these people living in poverty, but we're allowing inflation to erode the benefits that were in place as of 1995.

With respect to workers' compensation, there used to be CPI indexing. It got changed to Friedland indexing; it got changed to modified Friedland indexing. To make a long story short, in the same time that there have been CPI index changes of about 15% over the last seven years, most injured workers on permanent disability pensions have seen their benefits increase by only 2%. Again, inflation is being used in stealth to reduce benefits. In our submission, the government must stop.

The third topic is again another one I wish to talk about just briefly. Recently in the news there was information that the federal government may have accidentally, innocently overpaid the province of Ontario and some other provinces in their tax-sharing formula. The position of the province was very clear: these monies were received, they were received in good faith, they have been spent, and for us to have to repay that overpayment now would be a hardship on the citizens of Ontario.

We then turn to where the government of Ontario is not the receiver of an innocent overpayment but is the payor of an innocent overpayment, and this has to do with social assistance. With respect to the poorest people

in the province, if the government makes an innocent overpayment to them, the government's policy is that it must be repaid. It stays on the books and it will be pursued, and it will be pursued vigorously and aggressively. I'm asking the government to enunciate a policy on innocent overpayment recovery. Does the recipient of an innocent overpayment have to repay it or not? I'm asking the government to abide by that enunciated principle and live by that principle, whether you're a debtor or whether you are the recipient. It was astonishing, actually, to hear the government's position about overpayments payable to the federal government when it maintains the position it does with respect to welfare recipients. Pick a rule and live by it, I'm asking you.

The fourth topic is one I hope the government members don't get too upset at me about, and I hope they understand where I'm coming from on this. This has to do with the administration of tribunals in the province, and it has to do with patronage appointments to provincial administrative tribunals. I'm not here today to try to convince anyone that patronage should end. Patronage appears to be a fact of life. I've done some reading on it; Jeffrey Simpson wrote an excellent book on the role of patronage in Canadian politics. I'm not here today to talk about the overall system of patronage in the province, but I do want to talk to you about bad patronage appointments.

Most of the tribunals that we appear in front of on behalf of our clients are staffed by people who are there as a result of government patronage, whether it's on the provincial scene in the case of SBT, Workplace Safety and Insurance Appeals Tribunal or Ontario Rental Housing Tribunal. We also have patronage appointments in the federal tribunals we appear in front of for employment insurance and CPP. It costs the government no more money to put a good, qualified adjudicator on those panels than it does to put a bad adjudicator. Unfortunately, what we are seeing when we go to the tribunals—and I'm addressing here the provincial tribunals; I'm not trying to compare them to federal tribunals or to say the federal tribunals are necessarily any better. We are seeing in some instances appalling adjudication, and I've given some examples on page 4.

Someone who was running an SBT hearing told me that I couldn't ask leading questions of the government's witness on cross-examination because if the government couldn't ask leading questions of their own witness, then I couldn't. They fundamentally misunderstood the role of examination and cross-examination in the hearing process. I saw a WSIAT member who, without realizing there was anything wrong with it at all, indicated to me in the middle of the hearing that he had done his own independent research into the disability that we were there to deal with on the date of the hearing. Again, a fundamental betrayal of the rules of natural justice and fairness. I saw an ORHT member who accepted minutes of settlement, adjourned a hearing and then issued an order that was different than the minutes of settlement we had submitted. I wrote to the tribunal later saying, "This

must be a mistake.” I was informed no, it wasn’t a mistake. The ORHT member had decided that she didn’t agree with the minutes of settlement filed. You just can’t do that. If you want to hold a hearing, you hold a hearing. If you want to accept minutes of settlement, you accept minutes of settlement. But you can’t not have the hearing and then do something different than the minutes of settlement say.

1530

There are a couple of other examples. There is some bad adjudication, there are some bad appointments going on. They reflect poorly on the administration of justice. They’re inefficient because in many cases you have to do the hearings over again. You go through appeals. You get the incorrect result, so you get money spent where it shouldn’t be spent, you get money not spent where it should be spent. It’s a question of efficiency. It also reflects extremely poorly on the government when this kind of thing happens.

I don’t want to get into what it takes to fix all of it, but I have a fairly straightforward suggestion in terms of what the government might do to limit the effects of what I’m referring to as bad patronage appointments, and it has primarily to do with the role of the chair in these tribunals. I’m requesting that the chairs of these tribunals be of the highest possible quality, with established credentials in the fields that the tribunals govern. That’s not always the case now. It should be the case.

The chairs of these tribunals must also have the ability to veto the appointment of individuals who are selected for appointment through the political process. When the Premier’s appointments secretariat, or whatever it’s referred to, calls up the chair of a tribunal and says, “We have three new members for you,” the chair of that tribunal must be able to take a look at those members and say, “I’ll take two of them but that third one really doesn’t cut it. They just don’t have the basic skills that are necessary to do this job.” You must give that power to the tribunal as a check over the appointments secretariat of the government.

Finally, the chairs of those tribunals must have the ability to control the reappointment process. If the chair of a tribunal ends up with someone who’s on the tribunal and they’re just not doing the job they’re supposed to be doing—they don’t get their decisions out on time, they’re not aware of the procedural rules—that chair must be able to say to the individual, “I will not reappoint you. I will not put your name up for reappointment unless you can meet certain quality criteria.” The chair must be able to know that that recommendation is going to stand over whatever political pressure is going to be brought to bear from the appointments secretariat.

If the powers of the chair are enhanced, in my submission on behalf of the clinic, I would suggest that we would go a long way to improving the quality of the appointments that we do see to these administrative tribunals. As I said before, it costs you no more money. In fact, I would submit it costs less money to put high-

quality appointments on these panels as compared to people who don’t know what they’re doing.

With respect to the importance of legal aid funding, we would agree with some of the recommendations that have been made on legal aid certificates. In our experience, people are finding it very difficult to find lawyers, particularly on civil matters. That needs to be fixed. We on the legal clinic side also have our own concerns with funding. We are extremely busy. We add to the value of a lot of adjudications in front of review tribunals. We give MPPs a place to refer people when they come into their offices, and it’s a high-quality place to refer people to that they don’t get charged for. That’s an incredible value to the MPPs in this process.

I would ask you in your recommendations in this process to ensure that the funding of legal aid is at sufficient levels to allow the legal clinics to continue doing what they do and to fix some of the problems that continue to haunt the certificate side of the program.

Those are my comments.

The Chair: Thank you very much. You’re right on the time of 20 minutes, so there won’t be any time for questions. But on behalf of the committee, thank you very much for your presentation this afternoon.

NORTHUMBERLAND LABOUR COUNCIL

The Vice-Chair: The next delegation is the Northumberland Labour Council, if they would come forward at this time. Welcome. For the record, please state your name clearly as you begin.

Mr Tony Cunningham: My name is Tony Cunningham. Before I begin, I apologize for not being prepared. I would have loved to have maintained eye contact for the next 20 minutes because I feel very passionately about what I’m about to speak on, but if you’re not aware, OPSEU, the public service, is in the midst of possibly being in a strike position. I just came from a pretend strike line. I smell like smoke, I’m tired, but hopefully I’ll be prepared. Please excuse my head being down while I speak to you today.

Good afternoon. Thank you for giving me this opportunity. My name is Tony Cunningham. I am a correctional officer at Brookside Youth Centre and an active executive member affiliate of the Northumberland Labour Council. I will be speaking to the crisis in our public services and how to rebuild our services. As an active OPSEU member, I will be speaking on the crisis in our public service from that perspective.

I mean no disrespect to the thousands of other working women and men who service the public under a different banner, whether it be hospital, schools, CUPE, SEIU or the un-unionized. I’m sorry to admit that my knowledge does not intimately exceed the boundaries of my OPSEU experience, although I do believe that what I’m about to say, unfortunately, reflects every public service worker in our province, union or non-union, woman or man.

Building a budget is about setting priorities. It involves, first of all, deciding the things you must do, and

then deciding the things that would be good to do if you were able to do them. Second, it involves ensuring that your revenues are adequate to provide the services you have decided to provide. Jim Flaherty is making poor-quality assumptions about both the current economic climate and the options available for government revenue in our province.

Right now, Ontario's stressed-out probation and parole officers, for example, have the highest caseloads of any in Canada. Seven hundred people are supposed to keep tabs on over 70,000 convicted offenders serving sentences in our communities. On average, they only have time to meet for 30 minutes a month with sex offenders, and sex offenders get more attention. Our officers have 15 minutes a month for other offenders. Sometimes it's only two minutes. That's a shame. That is a grand disservice to our province. But is Jim Flaherty talking about this? Is he talking about increasing the number of P-and-P officers and support staff to keep our communities safe? No, he is not. To him, this is not a priority.

Or look at food safety. Ontario used to have 150 permanent provincial meat inspectors. Now there are eight. Ontario used to have 20 provincial fruit and vegetable inspectors. Now there are zero. In November, the Provincial Auditor said:

"Food safety deficiencies that are defined as critical by the ministry and could pose risks to human health were noted during annual licensing audits of abattoirs ... Such deficiencies include unsanitary food contact surfaces, rusty equipment, and the transportation of meat in non-refrigerated vehicles...."

"Newer testing methods allow bacterial, chemical, and other hazards to be detected easily and quickly. However, the ministry did not have a process in place to randomly test meat from abattoirs for evidence of these hazards."

Shocking stuff. But is Jim Flaherty talking about food safety? No, he's not. To him, this is not a priority.

In the Ministry of Labour, the full complement of occupational health and safety inspectors is supposed to be 280. We're about 40 short, and we've been about 40 short for a long time. These people do important work. Their job is to stop people from getting killed on the job or having their arms ripped off or getting occupational diseases. Sounds pretty important. But because of this government, thousands of workplaces are being ignored. Is this costing lives? Yes, it is. But those lives are not a priority to Mr Flaherty, apparently.

In November, the Provincial Auditor called the Minister of Transportation on the carpet for mismanaging highway safety. Is Flaherty talking about this? No, he's not.

What is Jim talking about? Instead of talking about improving services, Flaherty is talking about wasting more money through the magic of privatization. It's right there on his campaign Web site. It says, "I am committed to privatization in order to provide a more efficient government." The only proper response to this would be, "Excuse me?"

Since 1995, privatization has been the most disastrous policy of any provincial government in Ontario history. In many cases, as the Provincial Auditor reported in November, private operators are charging the government two, three and more times what it would cost to have accountable public employees do the same work. In the Andersen Consulting fiasco, the Ministry of Community and Social Services paid the project manager \$575 an hour to manage a computer system that still doesn't work. The Provincial Auditor said public service employees could have done the \$200-million project for wages one sixth of what Andersen charged. Andersen employees billed the government an average of \$24,000 each for personal expenses, without receipts. Is this supposed to be efficient? I'd hate to see what inefficient looks like.

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The auditor said that highway maintenance cost more when performed by the private sector in three out of four cases he looked at. When the Ministry of Health privatized our air ambulance system, they paid out over \$2 million in severance to critical-care flight paramedics just to have the same people come back to do the work through the private operator. Our air-ambulance system now costs more than ever, with no improvement in service. I believe that's what Jim's idea of efficiency is. Nonetheless, it's a joke. It's not a funny joke, but it is a joke.

Why, then, is our government doing this? Why are they getting out of the business of providing provincially regulated services? A budget that's built around privatization is a budget that's built around waste. The only way that privatization is efficient is as a method of transferring taxpayers' dollars into the pockets of private business people. Meanwhile, Jim says he can't afford the services Ontarians need. Mr Flaherty is like the guy who spends all day in the bar buying drinks for his buddies but won't put food on the table for his kids.

This brings me to the next point: revenue. Government revenues this year will be over 20% higher in real terms than they were in 1995. Even without the \$12 billion in annual revenue that they've blown out the window on tax cuts, this government is richer than any other government in Ontario history. Yet Mr Flaherty is crying poor. In his speech in Toronto last week, Flaherty said that private sector economists were predicting an average rate of real GDP growth for the year 2002 of 1.3%.

I don't know who these forecasters are. Perhaps they're forecasters like the Canadian Imperial Bank of Commerce, which announced in November that the Canadian economy was in recession. As we now know, there was no recession, but even when CIBC was saying there was, they were still predicting growth of 1.7% for 2002. I can't afford the private sector economists anyway, so I'll stick with the public sector ones, thank you.

In the United States, Alan Greenspan, head of the Federal Reserve, has endorsed a prediction of 2.5% to 3% economic growth in 2002. As you know, the down-

turn in the US has been worse than it has been here. Here in Canada, David Dodge, governor of the Bank of Canada, has predicted a growth of 1% to 2% in the first half of 2002 and 3% to 4% in the last half of 2002. Even Dodge's predictions may be too low. Growth in the last quarter of 2001 was 0.5%, or an annual rate of 2%. Bear in mind that the budget you are making is not for 2002, but for fiscal 2002, which includes the first quarter of 2003. In 2003, as you know, Mr Flaherty is predicting a real GDP growth of 4.4%. Looking at these numbers, a strong case can be made for a forecast of over 3% growth for fiscal 2002-03. In 1996, then-Finance Minister Ernie Eves referred to numbers lower than that as "steady, solid growth."

Mr Flaherty's prediction of 1.3% is a deliberate lowballing designed to provide a rationale for his real agenda: cuts and privatization to transfer public dollars into private hands. Flaherty has bragged about balancing the budget in 2001-02.

We should all be asking the question, "If you could have balanced the budget in 2001-02, with 1% economic growth, how can we be short several billion dollars in 2002-03 when economic growth is going to be much higher?"

There is only one answer to this: there is a hole in the bucket, dear Liza. Somebody is still buying drinks at the bar when they should be thinking about buying the groceries. For example, Jim Flaherty's pet project, the tax credit for parents with children in private schools, will cost at least \$300 million and possibly as much as \$700 million once it's fully implemented.

By supporting the public services I mentioned earlier, Ontarians get a stronger public service. By supporting private schools, we get a weaker public school system. Who would vote for that if they had a choice?

Then there's the \$2.2-billion corporate tax cut. Why are we draining the public purse when Canada is the cheapest place to do business in all of the G7 nations, according to KPMG Consulting? It's simply pure right-wing ideology. It's not based on common sense, in my opinion.

Now, you may be surprised to hear me say this, but I agree with Mr Flaherty on something. We both agree that there is a crisis in Ontario. But I'm telling you now it's not a financial crisis; it's a crisis in public services, or lack thereof.

To keep it short and sweet, I'm talking today about the Ontario public service specifically. At last count, the OPSEU bargaining unit in the Ontario public service had been reduced by over 23,400 employees since 1995. That is a reduction of one third overall across the province. Workloads are up, stress is up, frustration is up, because the same amount of work needs to be done. The story of today's public service is the story of a system that has been broken; it no longer functions.

If we had 100 Provincial Auditors, or if an inquiry like the Walkerton inquiry were held in every ministry, it would be revealed that the same policies that undercut the Ministry of Environment are at work in every Ontario

government ministry. The process we call Walkertonization is a process of mismanagement. It involves selling off services; wiping out rules; axing jobs; reducing job security, job quality and wages for public employees, while increasing workloads, frustration and stress; creating confusion, not leadership; and destroying employee morale.

Walkertonization creates a mismanaged, fragmented patchwork of a public service. In its current state, the Ontario public service can no longer adequately protect public health and safety, let alone the public interest.

It's time we did something about it. After six and a half years of cuts, layoffs and privatization, it is now clear that we, as Ontarians, have no choice. We must rebuild the Ontario public service. That is what you should be thinking about in your budget deliberations.

The foundation of the public service is people. If you want public safety, value for money and a professional, accountable, open public service, you have to start by supporting the people on the front lines. After the September 11 attacks, air security experts asked, "Can we really expect safe airports with security guards paid \$6 and turnover rates of up to 200% a year?" Amazingly enough, they said no.

Here at home, Justice Dennis O'Connor reported on January 18 that a Ministry of the Environment human resources plan in 2000-01 reported that the MOE had difficulties attracting and retaining skilled personnel in a number of areas. There is a direct relationship between the quality of the public services Ontarians receive and the wages and working conditions of the public employee. I'm sure that's a given.

Lab technologists at our Resources Road lab in Etobicoke worked day and night during the Walkerton disaster. They were public service heroes. Yet their pay is 17% to 20% less than the pay for the same job at a community hospital. That's outrageous, and that's just one example. Our nurses, pharmacists, tradespeople and workers in close to 100 occupations all face the same problem. How can the government expect to hang on to skilled, experienced people? How can the government expect to recruit enthusiastic new ones? The answer is, it can't.

Take a look at the 25 junior environmental officers who have been hired to inspect water. All of them are temporary contract staff. Is the government saying that water quality is a temporary problem? It certainly appears to be the case. We now have 26% of our members on contract—please remember that when I say "we" I refer to 45,000 working women and men—with no benefits, no pension plan and no job security. Not surprisingly, for many of them, when they find out that a contract job is not a foot in the door but a slap in the face, it's not a career to these people, it's a job.

1550

When people have stable careers in the public service, they develop expertise and experience. They learn to live by a set of guiding principles on how to operate in the public interest. Senior workers pass their knowledge on

to the junior workers. More than that, they pass on the fact that they care about protecting the public interest. They pass on the fact that they are committed to protecting public safety, taking care of the public's money and ensuring democratic accountability.

That is the way the public service should work. But today, OPSEU members in the Ontario public service are overworked, stressed and demoralized, as I'm sure every other worker is that works for the public service. Their wages are low, they have little job security, staff turnover has never been higher and staff recruitment has never been harder.

With these kinds of decisions going on, we shouldn't be surprised that OPSEU members are wondering, "How is it that we can afford a 36.6% pay raise for MPPs but we can't afford to support the people on the front lines of public service delivery?"

To bring it home, and I only have a few seconds left, Mr Galt, interestingly enough I did ask your office a few weeks ago if you would sign a petition in support of rebuilding our public services. Not surprisingly you declined, because you ultimately serve the cabinet first and not the constituents of this county, in my opinion. I'm not provoking you, Mr Galt; I'm simply stating the facts. I know in the last round that you won by 2% of the vote and I know for a fact that in response to not signing this petition, there is at least 5% of this constituent base that will be upset. I think you need to start servicing the people of this county.

On that note, does anybody have any questions?

The Vice-Chair: We have about one, one and a half minutes left. I'll turn to the PC caucus for a response on this occasion.

Mr O'Toole: Thank you very much, Tony, for your presentation and the passion. Of course I understand you have every reason. Your life and your commitment are before us today.

Respectfully, we heard exactly the same speech. That's Leah Casselman's.

Mr Cunningham: Absolutely, just customized a bit.

Mr O'Toole: Of course. But I did hear the whole issue of—I don't like the "Walkertonization" term. It was a public service. There's some dispute even in Justice O'Connor's report on finding fault and the rest of it with process.

One thing you did say was that there is a relationship between revenue and expenditures. You know you can't go on forever in a deficit. The NDP social contract demonstrates that. They wanted to help. They just didn't have any money to help.

Our forecast in revenue: Mr Phillips is usually here and he makes the point, "Where are the revenue forecasts?" Everybody wants stable revenue for the long horizon line: three years. This year alone there's a lag in revenue when it comes to corporate tax, and if you looked at the revenue forecast you'd see the declining corporate revenues because companies, for many of the reasons you've stated, are declining. They're not going to have a profit. So I put it to you: do you think we should

balance the budget or should we have a deficit to solve these problems year after year?

Mr Cunningham: To answer your question, I think people should stop dying at the expense of balancing the budget. You've gone too far. You can't rape our health care system; you can't rape the educational system. You have to stop at some point. I say to you, sir, that it's gone too far. We have to reinvest in these people who run these institutions, for the benefit of all Ontarians.

What makes this intrinsically Ontario—everything under the Tory government is for sale, and that to me is atrocious. There are some things more important than balancing the budget, or as important, and it's quality of life. I believe that your government needs to be reminded of that. We need it back.

The Vice-Chair: Thank you very much. On behalf of the committee, we appreciate your coming forward and making your presentation to us.

Mr Cunningham: Thank you, sir.

DURHAM CHILD POVERTY TASK FORCE

The Vice-Chair: Our next presentation is the Durham Child Poverty Task Force. On behalf of the committee, welcome. Twenty minutes have been set aside for you. What isn't used in your presentation we'll divide equally among the three caucuses for questions. As you begin, please state your name clearly for the record.

Mr Ron Dancy: I'm Ron Dancy. I'm with the Durham Child Poverty Task Force, and this is Glen Eagle, who's also with it.

We did distribute beforehand our annual report, which I believe you have. Here's our presentation. We won't read it word for word because you're running tight on time.

We are suggesting that there has to be an investment in people in any budget that you create for 2002, and basically we've got it down to two aspects: one is help for the working poor, and fairness for those on social assistance.

For help for the working poor, we're suggesting that there be an increase in the minimum wage. A previous speaker talked about there being no increase in social assistance rates. Well, there hasn't been an increase in the minimum wage either despite, I think he said, a 15% increase in the cost of living. So we're suggesting \$8 an hour is reasonable. It's not necessarily what will get people out of poverty, and we're not suggesting that the minimum wage is the sole method by which people can come out of poverty. You don't necessarily get paid based on the needs of your family. But we are suggesting that \$8 an hour is a significant step on the way to reducing poverty.

Another one, which can also be a family cost, is medical benefits. We think it's extremely important, and the Trillium plan in our opinion does not fill the gap that people have, particularly if you have a sick child. It can be, as we say here, a budget breaker if you have to choose between paying the rent, feeding your kids or

buying a prescription for a sick child. That shouldn't be the situation in Ontario today.

Affordable housing: this is probably the biggest factor that causes people to be poor. It's our understanding that the federal government has committed \$25,000 per unit for affordable housing into their \$750-million budget for this across the country. The province at this point is saying they're willing to do the provincial sales tax credit of \$2,000 to match the \$25,000 and it's up to other groups to do in kind or match the funds in other ways. We don't think that's an adequate response. We think the province is in desperate need of affordable housing out there and the province should be matching the federal budget of \$25,000.

Child care: you've all, I presume, been acquainted with the policy paper, that there is a suggested cut coming of 45%. Not only is that wrong, in our opinion, but it would be devastating to a lot of parents who are trying to get themselves stabilized in a working world. Cutting of licensed child care is very retrogressive and inappropriate.

Fairness for those on social assistance: as you know, there's a significant movement of people from social assistance to employment. The logic back in 1995, when a lot of the changes were made, was that once you have a lot of people off, you can then afford the changes. We don't seem to see that coming.

The first issue we would strongly suggest to you is that you lobby the federal government to increase coverage for employment insurance. Basically, what has happened is that so many people have been denied employment insurance through regulation that they end up on Ontario Works, which is inflating Ontario's costs. Since there is not an appropriate federal cost sharing of that, it becomes a provincial cost. Where before at least they were on the hook for only 30% of it, now they're on the hook for a good, significant portion of Ontario Works. So we think that is one way you can get the federal government to pay its fair share.

The clawback of the national child tax benefit for people on social assistance: we find that incongruous with the province's statement that they want to do what's best for children. You have the poorest children of the bunch and you take away money from them. It doesn't make any sense. This is money that is coming from another level of government. It's not necessary for the province to claw this back, because they then go and spend it anyway. So it's not a question of saving money; it's a question of where they want to spend it, and the poorest of the poor should be receiving the clawback money from the national child tax benefit.

Finally, there's the tax-back. I don't know if that's the appropriate term; it's when people move. One of the credos of this whole change to Ontario Works was to get people working, but there is a threshold or area in there where it costs you a fair amount of change economically in order to go to work. Not only are you taxed back at 75%—if you get part-time work, after a basic exemption, which after two years goes to zero, but I'm not even into

that—which is more than any person at \$100,000 would ever pay; you lose medical benefits and the Trillium drug plan does not compensate adequately. Plus, you lose the optical and any other benefits that are available. Thirdly, you quickly lose eligibility for other programs that are designed not for people on assistance necessarily, but for people who are working, including the national child tax benefit, which is now being clawed back. Its levels of eligibility are so low and it's recovered so quickly as your income rises that the tax-back, in our opinion, probably means that people who make around \$30,000 are the highest-taxed people in all of Canada. That, again, we don't think is fair. We think it should be examined so that there's at least a reasonable incentive, around 50%, for people to move from assistance to employment.

1600

Rev Glen Eagle: The purpose of my being here: I am on the Durham Child Poverty Task Force and I'm also a minister with the United Church. I end up being in the position of, for want of a better term, where the rubber hits the road. I have people coming to me daily looking for help. The help has increased over time. It's not unusual for somebody to come to the door of the church and say, "Can I get \$500, \$600, \$700, \$800 from you today? Otherwise my rent's gone, otherwise my housing is gone."

Just to put it into context, to take a case in point, a woman in my congregation was earning \$35,000 a year. She and her husband split. They had to sell the house etc; they got nothing out of it. Anyway, she was working for about 12 years. She, then, is now a woman with a single child. She used the money from the proceeds of the house to live for a few months, but because of the child, because of the daycare, she couldn't get employment that was adequate to pay all the bills. Consequently, she did a few minor jobs, \$8, \$10 an hour. Then, when the money from the house ran out, she applied for social assistance.

She's now getting \$500-and-some a month, because she gets \$250 from her husband. She is trying to get some kind of a job. I guess where I come into this is, when you put all the pieces together, it doesn't work. For her to pay the daycare in order to go to work, the daycare costs are up and the subsidies for that are down. The minimum wage, at \$7 or whatever it is, is a joke as far as that goes, because it doesn't pay. She loses the medical benefits, she loses the dental benefits and then with this clawback—we still haven't figured out her cheque last month because she went on social assistance in January some time. Apparently she got—I'm not sure what it is—a GST cheque or something back last fall. They deducted it, so her cheque for March is \$165. Her rent is \$740. What do you do in that case?

What I'm saying is, when you put these pieces together, it's great on paper, and any one of these might be something that would be functional or might help to alleviate. What ends up happening is—and the story I told you there is a daily occurrence for me—I have these people coming and saying, "OK, as of March 31 this

woman is out of her apartment." Where does she go? To a shelter? To a friend's house?

What I'm presenting here is that it's not something we can look at and say, "Well, that's too bad." From their perspective, a woman with a small child, it's more than too bad. Where does she go? I mean that. I'm saying this: you don't have, as politicians, people coming to your door daily asking for money and expecting to get it. They may come to the office and say, "Isn't there something you can do?" I understand that. But they don't come to your building and say, "You're the last resort, you're the only thing we can do." Because it's my job, as a person I have to come up with some kind of solution for these people. Otherwise, they are literally on the street. When you put these pieces together, that's where the scary part comes, and I guess I'm going back to what Ron was looking at at the beginning.

One of the things Ron didn't mention that I would mention is about the increase in the minimum wage. From my perspective, I think \$12 should be the minimum wage. I realize there are a few repercussions that way with the employers. They would probably not be happy with you if you said \$12 an hour, but that's a living wage as far as I'm concerned. It would get a lot of people off social assistance if you suddenly declared that. I know all the ramifications of that, and I'm not suggesting that.

One of the other things that would be helpful for you to look at, though, is somehow controlling part-time work. More and more companies are going into part-time work. My daughter just got a job at Loblaws. They won't hire full-time; they only hire part-time. She gets \$6.40 an hour and no benefits. She's 28 years old. How does she move out of that? It's a joke. For her to even go to work is a joke. She has a small child. What she earns won't pay for the daycare.

All I'm saying is that when you look at this kind of thing, look at the whole picture and try to place yourself in this position. These people do not have the resources. What I'm saying is, people in my position end up—going back to the child poverty thing, when I see this little kid, and lots of them, where their parents are trying to live off next to nothing, how can we expect those kids to do anything with their lives? When these kids don't even have the clothes to wear, the food etc, we can't expect them to excel. They're just going to keep the cycle going.

My plea to you is to pay attention to the whole picture of what happens to these thousands and thousands of people who are literally bereft of any kind of support and where to move ahead is totally defeating.

The Chair: We have a minute and a half per caucus, and I'll start with the official opposition.

Mr Parsons: What I'm hearing from you—in fact it's been an accumulation since 10 o'clock this morning—is the tremendous cost of poverty to this province. There's a huge cost. We've seen, in effect, provincial responsibility downloaded to food banks, to the United Church and to a whole bunch of people trying to do stop-gap measures to survive. Yet the province as a whole is paying a horrible price for it.

We've heard presentations from the education field. You can have the best curriculum in the world, but if the kid in the classroom is hungry, it doesn't matter about the curriculum. Again, you can have the best curriculum in the world, but if the student can't afford to go on the field trip or can't afford the user fees for textbooks and so forth, it's all for naught.

If we have what are described as working poor—they have no medical benefits and they can't buy medicine for the child who needs it—then it's all for nothing. I'm struck that we continue to have children in school when it's very obvious that some children can't even afford winter clothing. There used to be an expression when I was in school: "Sticks and stones may break my bones, but names will never hurt me." I see these kids teased. And names hurt, names potentially destroy their self-pride and that for the rest of their lives.

The Chair: Question, please.

Mr Parsons: Yes, I'm struggling for the question. You mentioned the need for employers. What would be your number one priority for the government of Ontario to eradicate child poverty in this province?

Rev Eagle: It may not be Ron's answer, but I'm going to say my answer is to raise the bases. From my point of view, raising the minimum wage would go a long way toward that, or making some kind of secure bottom line for people, whether it's the minimum wage or even if you gave back the 22%. That would certainly help.

The Chair: Mr Christopherson.

Mr Christopherson: I think most people, at least until recently, thought more of major urban centres when they thought of homelessness and poverty. I wonder if you could give us a bit of a thumbnail sketch of what things look like in this area and even in the Durham region?

Mr Dancy: For this area, I wouldn't know; we're from Durham region.

Mr Christopherson: OK, Durham region then.

Mr Dancy: It's a little more hidden. Obviously we don't have a lot of people you step over like you do in Toronto. I used to work in social services, and we did a study a number of years ago. We found that every one of the people, families, on social assistance moved in that year—100%. Twenty-five per cent moved four times.

We also checked to see if they were really renting way above what they could afford, so we took the CMHC low end of market, if you know what I'm talking about. The rents were all below that. They were really good, economical rental finders, if you will, and they still couldn't afford it. I believe the data would probably be for 1998, in case somebody wants a reference point.

So I consider 100% of everybody on welfare to be on the verge of homeless, or near homeless as I call it, because they are going to be on the street when they're moving once a year. You and I don't move that often—plus there are the people who live in the hostels. So there is a fair amount. It just doesn't end up with a sleeping bag in a cubbyhole at a bank or wherever.

1610

Rev Eagle: If I could just add to that, for a tremendous number of basement apartments and backroom apartments, there are no contracts because they are technically illegal. So there's a lot of abuse that goes on: "Honey, if you want to live in my basement, you pay so much rent, but there's another benefit too." That does go on quite a bit. Just a week ago, the landlord of a fairly large apartment came to his tenant and said, "You didn't pay your rent last month." She said, "I did." He said, "We've lost the records." She had some records, but he said they wouldn't count. So he said, "Either you pay us again or you're out the door." I got involved in that, and he cooled down. But that type of "You're out the door tomorrow" thing on a day-to-day basis is incredibly stressful for people.

Mr Christopherson: To say the least, yes.

The Chair: Mr O'Toole.

Mr O'Toole: Thank you very much, Reverend Eagle and Ron. Just to reacquaint Dave and others, the short time I spent on Durham region you were indeed the director of health and social services. I know you come at this with some degree of passion. On an ongoing basis, I do get a fair amount of correspondence from you. I think it's important for me to always remain open and to listen, because you are at the front edge and finding that balance.

I think I fully agree with one of the things you mentioned here. I've talked to people about it, both my federal counterpart as well as provincially. You say those making \$30,000 are the highest-taxed people in Canada. What I'd sort of say is it's not worth the administrative nightmare. I'd take everybody under \$25,000 right off the tax rolls. It costs more to collect it. I've talked to Erik Peters, our auditor, on this. Administratively, to track it and the whole accountability thing, you have to pay to get it done in most cases, and on top of that they don't collect what it costs them to collect it. So I think that aspect has some benefit.

With Ontario Works, though, is it true—and I've followed the stats from Durham region—that the numbers of people on welfare are considerably down in Durham, to the tune of about \$8 million on the Durham budget?

Mr Dancy: I couldn't give you the dollar figure. They're less than half what they were when you came to power in 1995. What we're trying to say today is that they have moved into employment, but at a low level where they're still poor.

Mr O'Toole: Yes, the next group, the working poor.

Mr Dancy: Yes.

Mr O'Toole: And that's where that child tax credit is very important. It's the working poor that that money goes to, the low-income.

Mr Dancy: The people who are left have a lot greater difficulty getting a job for a lot of reasons. We don't think their children should be left alone.

Rev Eagle: Just very quickly, one of the things is that when you get a job you can also get a loan. Credit card companies send you these credit cards right away, as

soon as you get a job. For people who haven't had anything for a long time, the credit card goes up and then they're in even worse shape. I know everybody says, "You should be fiscally responsible, and you shouldn't use a credit card." But I do know that when your child needs a prescription drug and it's a choice between using a credit card or watching your kid suffer, you use your credit card.

The Chair: With that, gentlemen, on behalf of the committee, I would like to thank you for your presentation this afternoon.

NORTHUMBERLAND COMMUNITY
COALITION

The Chair: Our next presentation is from the Northumberland Community Coalition. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Ben Burd: My name is Ben Burd. I'm speaking on behalf of Northumberland Community Coalition, which is a very, very small community coalition that represents quite a few different interests. Really what we've been doing over the past five or six years, probably as long as this government has been in power, has been monitoring its activities and checking the results of the programs that have been implemented.

I don't come here with a written brief; I have a few notes. But I'm going to pick up on what most other people have said. It's going to be very boring for you guys to listen to me just state the same kinds of things you've heard all day. And you didn't just hear them all day; I was watching TV last night and you heard them all day yesterday. It appears that every single person who seems to have been adversely affected or who has an opinion about the programs of your particular government wants to come along this time around and tell you about the results of what has happened to them.

It appears to me that somehow or other—and this is very interesting—these hearings that you're conducting at the moment seem to be totally absent of the usual types of people who would come to talk to you about budgets and finances. I don't see any representatives from the chambers of commerce, I don't see the usual board of trade people, I don't see the industrialists, I don't see any of those people saying, "Go to it, guys. You're doing a real good job for me." This makes me think that somewhere along the line they either got what they wanted a long time ago or they've written some of your programs off and said, "What's the point of coming to do this public hearing when we can talk to you behind the backdoor and get what we want anyway?"

What you're hearing, as a result of that, is a whole bunch of people who have been suffering for the past six or seven years as a result of the Common Sense Revolution. I don't want to get back into specifics, but I will say that I've only been here since 3 o'clock, and a trend has emerged since 3 o'clock. You've been hearing

from representatives of people or people who are actually working with people or who are actually on the lowest rung possible in this province's society. They've told you various things. They've taken your invitation very, very seriously to come and tell you how your programs of cutting 21% of the welfare rates, not raising the minimum wage for seven years, cutting back on health care costs, cutting back on education costs, have impacted them on a personal level.

I think it's to your credit that you've actually sat here so long and listened to all that. I know that if it had been I, it would be boring and numbing, wondering just what you could do about it, which brings me back to the first major point I want to say. As a government and a committee, if you've gone to the trouble of asking us, the people, to tell you what we think, then there is an obligation upon you folks to do something with that. We've been lectured for the last six or seven years about rights and responsibilities, and it goes both ways.

What I'm saying to you is that if you come and ask us to tell you what we think, then when we suggest various mechanisms and changes in your procedures, I think you have an obligation to definitely listen and at least acknowledge what you're being told. What we've been seeing over the past six or seven years is people coming continually to your government who disagree with you, and they don't get any remedy, or very little remedy. In fact, in the case of the working poor, the disadvantaged and the labour movement, they just keep getting slammed between the eyes. Further punitive measures get imposed on those folks.

What I'm saying to you is that there are obligations on this committee to listen, and that means you have to produce. To make sure we know you've listened, I would at least like to see some demonstration of your listening in the next budget. One of the first things that comes to mind is that because everybody who has come to speak to you in these hearings is asking for something, and every one of those remedies means you have to spend money, obviously it's incumbent upon you to try to prove to the province that you're either with those people or against those people. If you're with those people and with us at the bottom, you will be spending money and remedying some of the problems you have caused by removing \$20 billion in tax cuts from the economy that you're going to be doing by the year 2004.

Every single one of these remedies costs money. Mr O'Toole asked the labour council representative, "Would you want to see a deficit, or would you want to see a balanced budget?" I would say to you that if you hadn't had tax cuts to the level you've had, we would have balanced the budget three years ago. The point is that you have choices. I was watching a woman last night on television talk about choices. You've deliberately made choices to do certain things, which is OK, but there are consequences.

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The biggest consequence that's facing us in Cobourg at the moment, to those of us who are community-

minded, is the effect the funding formula is having on elementary schools. You've chosen to talk about efficiency. What you're doing is you're setting up efficiency against community. When you destroy communities in the name of efficiency, you don't have much left. Where you are destroying community schools—and People for Education has got a report out that you may agree or disagree with, but they back it up—44% of all the elementary schools in the province are in danger of closing due to the funding formula. If you're a bean-counter, that's perfectly OK, because you're moving kids into bigger schools, and by some convoluted form of logic, you can then say those kids will get a better education because they have access to more resources. While you're starving the smaller schools of resources, you can make that argument. But everybody should be aware of what's happening by starving the smaller schools and moving the kids into larger schools. It's a deliberate pogrom; that's what it is.

We have a school in Cobourg—you probably heard about it from a speaker this morning—which is 180 kids short on their school spaces, which is a misnomer because junior kindergarten only counts as 0.5 of a school person. So there may be more pupils than are actually being counted in that school. The point is that because that school is an older school, because that school is below capacity, they're starved of educational resources. Therefore, it's very easy to make the case that if we move them over to the other school, which is only 40 kids below capacity, that school now becomes above capacity and, bingo, they get the school librarian, they get the special-ed teacher. They get all the other resources they need. That's all very well, but what have you done by moving those kids over? You've destroyed a downtown community. That's what you've done.

The whole argument came to me when the school trustee called a meeting to discuss this. One of the parents stood up and said, "What's going to happen to me when my kids either go to the school in the east or the school in the west? I don't drive. I don't have a car. When the school rings me up and says to get my kid out of there because he's sick"—which happens very, very commonly in schools these days—"what am I supposed to do?" The school superintendent said to her, "That's not our problem." That's how much funding has impacted upon the community. I'm here to tell you that every single one of your funding cuts has a human element to it.

I walk my neighbour's dog every day. He went into hospital five months ago. He had a stroke. I won't go into medical details. The point is that his wife also has medical problems. She told the hospital and the access centre, "I'm sorry, I do not feel as though I can have him home because he weighs 200 pounds. I only weigh 120 pounds. I've got heart problems. I'm 75 years old. If he falls down, I can't do anything about it." So what happens? They get sent home. Home care comes in twice a week. I don't know about you folks, but I'm sure if my grandfather was only getting bed-bathed twice a week,

I'd want to do something about it. We don't expect the state to do everything, but we did have a standard of reasonable care before the cuts came in. This fellow has fallen five times since he's been home. I said, "What do you do, Harold?" He said, "I have to wait until my son comes home, because he's the only one who can help me." The guy works a midnight shift. If he worked on the day shift, sometimes that guy might have to wait—I don't know how long. I can't imagine how long that fellow might have to wait. That's only one story that I came across.

I come here, basically, to reinforce what everybody else has said: that your policies are having human impacts, and I think that you should be listening to those impacts. I don't ask you to change your minds, but at least have the honesty to tell us that we're not all whiners, we're not all out to lunch, we're not all bogeymen who tell you that you're all wrong for the hell of it. The point is there are genuine concerns.

If you are going to maintain this insane policy of cutting income taxes to the tune of \$20 billion over a period of 10 years, you have to understand that that money has to come from someplace, and the consequences of that are something you should be looking at. You may disagree with what I'm saying, you may think I'm all wet, but the point is, there are human consequences here that you folks, as administrators of the budget, have to look at. We've got \$8-billion worth of tax cuts to go, as I understand it. That \$8 billion can go a long way.

While I'm on that, it's always struck me from day one just how completely unfair the tax cuts have been. I'm not talking about the fact that 25% of the population gets 80% of the money or anything else. The very fact that you put an income tax cut in is insane. If you want people to spend money and boost the economy, you cut the sales tax. We've just been told this last week that the consumer has rescued the country from the recession we thought we were going into. Business didn't do it; the consumer did it by spending money. If you guys want to look good, give the consumer more money and cut the sales tax. It's simple. I don't want to go into inferences about why you didn't do that, but the very fact that you didn't do that shows me that not much thought went into this about the rhyme and reason of why the taxes were cut in the first place. That's all I've got to say.

The Chair: Thank you very much. We have two minutes per caucus.

Mr Christopherson: Thank you very much for your comments. I can't think of anything you've said that I would disagree with.

You may know or you may have heard that Harris yesterday, in a speech to the Toronto Board of Trade, said that he wishes he had done more faster. What would you say to that?

Mr Burd: I wish he had done more faster, because then we could vote him out faster. The effect of what he had been doing would have been apparent to a lot more people a lot faster.

Mr Christopherson: It's interesting you would say that because, regardless of what you answered there, my follow-up question was going to be, is it your sense that more and more people are beginning to see what is going on and understand that the few dollars they may have put in their pockets on the tax cut side are more than wiped out by the public services that have been lost in health, education, environmental protection and labour protection, as well as user fees? Is it your sense that people are beginning to see that there's a direct relationship between those two and that they didn't win?

Mr Burd: Yes. That's a very interesting discussion. For the first four or five years, we were continually told by impartial people who really didn't care much about politics that at least Mr Harris was the person who did what he said he was going to do. "I don't agree with the guy but at least he did what he said." That appeared to be a very prevailing comment and you can't argue with that. However, it would appear to me now that that comment, the admiration for his forthrightness and his gutsiness, has been tempered by the consequences.

I think a lot of people are saying, "If I've got to now pay \$150 a month for my prescription which was delisted last week, which has been on the formulary for goodness knows how long, then I've got a problem. If I've got to go to Peterborough instead of the local clinic, then there's an obvious cost to me." Yes, I think it's coming home.

Every time you turn around there's a financial consequence to almost everything you touch that has to do with government, which wasn't there seven years ago. Some of those might have come in whoever was in power, but the point is, yes, the tax cuts have been tied with the consequences and I think a lot of people have put two and two together.

Mr O'Toole: Thank you very much for your presentation. You're right; every delegation over the last week has asked for more money. I had a little running total going and it was something in the order of about \$10 billion. I guess it is difficult and it is about choices, no question.

As an ordinary citizen of this province and this country, I stick to basic principles, more practical, like your presentation really. I really feel it's the chicken and the egg: which came first? You have to have the economy, otherwise it's all pipedreams. You're an intelligent guy. I know from just listening to you explain that you understand the policy choice options and the background behind that, so I'd like you to respond to that. Maybe that's too simplistic, but if we scare all the investors away by raising taxes, they'll go to Alberta, they'll go to Mexico or wherever. It's global. Your mutual funds, wherever you're putting them, that kind of thing, are looking for a return on investment. They're not looking for some kind of—it isn't all numbers, it is about choices, and that's what these hearings are about—making choices.

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I believe if you look closely at the government documents, you will see there have been tremendous investments: \$1 billion a year in health care. It's the number one priority, no question about it. I hear "aging population," "more technology," blah, blah, blah. The argument, then, is a systemic argument. It's about the nurse practitioner versus the doctor. Do you understand? It's all systemic. It's these vertical little—one window can't work. If it's CCACs, the VON is against us.

Mr Burd: If the question was whether I think the choices you have made to boost the economy to the level that you claim has happened are based entirely on the premise that tax cuts have done that, I would fundamentally disagree. Investment has come into this province by means of the auto industry. The auto industry probably covers off 70% or 80% by the time the spinoffs are all added to the province's economy. The point is that the auto industry, coupled with the American boom, brought us to where we're at.

You may well say that you cut taxes at the same time as the boom occurred so therefore tax cuts created the jobs. I'd like to take your argument right now to BC for the next five years and see how many jobs are actually going to be produced as a result of BC's tax cuts. We've never had this economic theory proven properly because the economists couldn't agree on anything, to start with.

The second thing is, you've always mixed apples and oranges. If I was in your position, I would definitely be saying that tax cuts have produced jobs, because look at them, we've got 800,000 jobs. But how many of those would have happened without the tax cuts?

Mr O'Toole: They're all small business jobs, by the way.

The Chair: I have to go to the official opposition.

Mr Kwinter: Thank you, Mr Burd. I think your last comments are right on. I agree with you completely.

In the interest of fairness, I just wanted to make a couple of comments. When you started, you talked about the fact that you've been watching these hearings and that all the people who are coming are of a certain type and we're not getting the others. You should know that we've had the chambers of commerce, we've had the boards of trade, we've had the bankers, we had the group representing General Motors who were talking about the capital tax. When we structure these meetings—and I want to talk about how this meeting is structured—we try to have it balanced; we really do. You should know that this is the legislative committee on finance and economic affairs and it's an all-party committee. We've got the NDP, the Liberals and the Conservatives. So when you berate this committee, you have to understand that some of the people at this table agree with what you are saying. In the interest of fairness, I think that's important.

The other thing that I think is really critical is that this committee, when we have all of the hearings, when they're complete—tomorrow we're going to Kitchener-Waterloo, we're going to Barrie and then we're going to write a report—gives advice to the Treasurer. We can't

compel the Treasurer to do anything. This is advice from this committee as to what we want. Invariably, we will have minority reports, because the Conservatives have the majority on this committee. They will try to get the kind of report they want and both of the other caucuses will submit a minority report.

We have no control over what the Treasurer does. All we can do is suggest to him, "This is what we've heard, this is what we think you should look at," but then the Treasurer has to do what the Treasurer has to do. Not only that, he is holding parallel meetings. If you've been following the media, it's a combination between his leadership aspirations and using that as a vehicle to go out and have these meetings. There's a lot of input into the final decision that he and the government make, and once we do our job, we're in their hands. It isn't something that we have control over. I'm just trying to correct the impression I got that you're berating us because we keep listening to this but we don't do anything about it.

Mr Burd: I wanted to bring the point, very quickly, that quite frankly four or five of the groups that appeared this morning, today, were very surprised to be on the list, because they are not the kind of groups that normally get on the list for something like this. I think you deserve congratulations for actually doing that, if there was an element of choice. I won't be so bold as to suggest there weren't that many people who wanted to come and you wanted to fill the day out and make the list up with everybody who applied. Anyway, I'll leave that for you to keep it a trade secret. The point being, we were very surprised and we put a whole bunch of things together and we decided to get on and make a point. This is why I'm here, to add weight to the basic thrust, and the basic thrust is that the government's policies have been hurting the people we work with, the people we know, and we think it's gone far enough.

The Chair: With that, I have to bring it to an end, but on behalf of the committee, thank you very much for your presentation this afternoon.

ONTARIO LAND TRUST ALLIANCE

The Chair: Our next presentation will be from the Ontario Land Trust Alliance. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Ian Attridge: Good afternoon and thank you for this opportunity. My name is Ian Attridge. I'm the chair of the government relations task group of the Ontario Land Trust Alliance and I'm based in Peterborough. I'm just pulling out my other set of notes. I apologize that I don't have enough copies of my submission for all of you, but I've asked Ms Sourial to make copies for me. You'll get that in due course, but my apologies for today.

What I'd like to do for a couple of minutes is just explain our organization, who we are, what kind of work we're doing on the landscape of Ontario, and then talk about a couple of aspects that relate to the budget that we

would like to see brought forward in various forms over the ensuing year in the forthcoming budget.

I'll start with the Ontario Land Trust Alliance. We are an organization that brings together land trusts from around the province. We started in 1997 with 14 founding members. We now comprise some 31 members ranging from regional groups in Thunder Bay and Sault Ste Marie, to the Muskokas, Georgian Bay, the Kawarthas, where I'm from, the Rideau, down around London, and a variety of other locations around the province. We also include the provincial Federation of Ontario Naturalists and the national Nature Conservancy of Canada.

Land trusts are non-profit corporations and charities. We work with landowners to look at conserving natural and cultural heritage around the province. It's the kind of work that allows us to get out in the field with landowners, to find ways to work together to secure a legal interest in land. That may occur through a donation of land to one of our members. It may involve entering into a conservation easement, which is an agreement between the landowner and our land trust that would preserve the land through some restrictions on the land title. It's an agreement that still allows the landowner to use the land, to work the land and to pass that land on to their kids or sell it if they wish. So it's a creative technique and increasingly we're seeing that it's being used by some of our members, as it has been across the country and in the United States.

One of the unique things about land trusts and one of the exciting aspects that I enjoy in my work with land trusts is that there's a real synergy of skills. We have land professionals at the board table, we have financial advisors, we have biologists, we have people with university backgrounds or with technical capabilities in GIS and data processing and that kind of thing. So we have a variety of skills at the board table.

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We've implemented a number of programs through our provincial group, the Ontario Land Trust Alliance, OLTA. We provide support for our local members and we have an insurance program. One of the aspects of our programs is the Ontario nature trust assistance program, which has allocated some \$116,000 for land securement over a two-and-a-half-year period. This has helped our members acquire nearly 3,000 acres of significant ecological lands valued at some \$3.7 million. With a small investment, we're able to help our members get out there, cover their acquisition costs and get a lot of donations in to protect that land. That's a leverage ratio of something like 31 to 1.

We're only part of the story. There are other funders out there. What we're able to do is help achieve some of the public objectives that the government and really the citizens of Ontario would like to see. That does come through a variety of initiatives: the Smart Growth initiative to reduce sprawl into the countryside and contain it to reduce the costs of servicing that will have to be extended on a broad basis. There is land securement on

the Oak Ridges moraine, a significant initiative that has had multiparty support, of course, and substantial citizen support. Land trusts can help deliver that. In fact, one land trust, the Oak Ridges moraine land trust, was formed specifically to use those kinds of techniques on the moraine. There are others who are working in partnership with them.

Establishing new protected areas in southern Ontario: much of southern Ontario, as you know, is private lands, so government can't go out and just designate a new provincial park or conservation reserve. But land trusts can work with landowners to identify significant areas, to acquire them in the public interest, and to do so in a way that perhaps is more acceptable in the local community. There are initiatives like the Great Lakes Heritage Coast, the Niagara Escarpment plan, trail acquisition, ecotourism promotion, other kinds of tourism promotion and the kinds of amenities that support that. Increasingly we're seeing that land trusts are helping in that direction.

Where does that lead this committee? There are a couple of things that I know I will have a chance to discuss with Mr Beaubien further at another appointment, but there are a number of tax incentives that land trusts work with. One is a federal program called ecological gifts that involves a set of criteria, the most ecologically important land in the province, and that is a set of criteria agreed to by the provincial government as well as the federal government. That's the federal program.

We also have an important piece of the puzzle here at the provincial level. That's the conservation land tax incentive program, CLTIP. That has been an important program to help landowners of all kinds, including land trusts, to protect ecologically important lands in the province. There are a number of elements of that program that we feel need to be changed. There are some challenges in the way the Assessment Act is applied where the program is intended to reduce assessment on a parcel but in fact that just gets reduced on one part and shifted to another part of the property. The landowner still is not getting the benefit originally intended.

There is a portion of that program called community conservation lands that was specifically designed to help land trusts, but that has been under review in recent years. We're hoping, as this is moving through the process of approvals, that will come forward and in a way that matches that agreed provincial and federal criteria under the ecological gifts program.

Also I mentioned the technique of conservation easements. This kind of agreement between landowners and land trusts is something that is not specifically recognized in the Assessment Act. In fact, the federal government in their budget in 1997 did identify an appropriate way of valuing conservation easements for income tax purposes under that ecological gifts program. I would encourage the committee, and through the budget, to bring forward measures that will fully recognize conservation easements when they're being assessed by property assessors in the regular assessment system.

In terms of funding, it's an important issue to us. We feel that we can take a set of funds and really make a strategic leveraged investment. If land trusts are given the chance, we're able to work with those funds, limited as they may be, to then go forward and achieve conservation under a variety of initiatives.

We help deliver conservation, recreation and tourism initiatives. Many of our members have identified priority sites around the province using the latest technology and scientific methods, including geographic information system technology, GIS. We are run by volunteers and entrepreneurial boards who get out there with, as I mentioned, that synergy of skills that comes together, and we're able to operate at a fraction of government cost.

Finally, we leverage charitable donations with grants and tax incentives at all levels to protect lands worth many times the original investment made. Given this capacity and the opportunity to realize a substantial return on investing in conservation and land trusts, we would like to recommend to the committee that you bring forward and recommend that there be a land securement fund established in the budget. That might be in the range of \$10 million to \$20 million and it would have acre-land-value and leverage-ratio targets plus accountability mechanisms. Certainly the Ontario Land Trust Alliance would be willing to work in helping to deliver that kind of fund.

There are several ways that might be accomplished that would have limited impact on the fiscal situation of the province. One might be to allocate land transfer tax revenues into a larger land stewardship fund. I believe in the past year those revenues were approximately \$600 million. One could take 10% of that, say, \$60 million, and allocate it into a separate land stewardship fund run by a separate arm's-length board. This could be responsible for a variety of conservation initiatives in the province—land securement is certainly one that is near and dear to our hearts—but it could also involve activities and programs to implement some further recommendations from Mr Justice O'Connor's report on the Walkerton inquiry, the county-based Ontario stewardship program in the Ministry of Natural Resources, watershed planning by conservation authorities and the like.

Such a central fund for land stewardship and securement would also achieve administrative efficiencies, because you wouldn't have to be administering several different funds. Taking a proportion of the land transfer tax has been established in British Columbia. It's called the real estate stewardship fund there. It's also present in Texas, Utah and some 20 or more other states in the United States.

Another way of implementing this is to recognize that conservation of wetlands, watersheds, headwaters and important wildlife areas is part of the green infrastructure of the province. If this kind of land securement fund were established, that might be recognized as part of the SuperBuild fund and a portion of that fund could be allocated for land securement.

One of the examples that is used in the United States of how this is green infrastructure is that it's estimated that to buy the watershed lands to protect New York City's drinking water would cost \$1.5 billion, but if a filtration plant was built it would cost \$6 billion to \$8 billion. That's several times more to build something rather than protect and prevent some of the degradation that might occur.

The Ministry of Natural Resources is proposing a new ecological land acquisition program. Currently the predecessor of that program, the natural areas protection program, is focused on three areas: the Niagara Escarpment, the Rouge River and the Lynde Marsh. We would suggest it might be better to expand that program, both in terms of the resources available to it and the kinds of criteria, in order that the benefits can be achieved across the province.

A proposal of this magnitude may raise questions, but I think if we look at some of the economics in a broader context, we can see that this is a very valuable investment. If you look at the 1996 GTA report, it indicated that inefficient sprawl in the GTA, and on to the moraine, would cost taxpayers some \$1 billion per year. Land trusts can help avoid that and redirect inappropriate development.

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If one looks at the state of New Jersey, nearly \$100 million per year is spent to acquire natural watershed and agricultural lands. Maryland has a strong smart growth framework which includes the five-year, \$145-million GreenPrint program to protect remaining ecologically sensitive lands.

If we look at the tax base, municipalities will be concerned about the tax base, but there is evidence from a variety of locations in the United States where greenbelts and parks add to the assessed value. I think we've all seen that if we've looked at real estate ads. They're indicating, "We're near a park, we're near a trail." Land trusts, through their acquisition of key areas like that, can help build assessment. Some numbers from the US: \$41 million increased assessment in Oakland; \$5.4 million in Boulder, Colorado; a variety of other numbers. Back here at home certainly we know through studies that the Ontario Bruce Trail contributes some \$24 million in economic impact each year.

There are considerable benefits. There certainly has been demonstrated in the United States voter support for this kind of funding where these initiatives have been put on the ballot. There has been some substantial support for them. In my presentation, which you will receive, I indicate some of those numbers.

To summarize, the Ontario Land Trust Alliance recommends that the province make minor adjustments to the property tax assessment and incentive system, as I've described, and that it also establish a substantial land securement fund with application across the province, either as a distinct fund or as a component in a larger stewardship fund. We'd be willing to work with the prov-

since as it's implementing that kind of a land securement fund.

That's the gist of my presentation.

The Chair: We have time for a quick question from each caucus. I'll start with the government side.

Mr O'Toole: Living in Durham region, of course with the Oak Ridges moraine, I think the formation of that trust there is extremely important public policy. You cast that against some of the demands in other areas of other ministries, certainly.

I think it does relate very well to the quality of life, that as the population grows, the world, the physical shape and size of the world, isn't growing; it's the number of people sharing it. So each of us are going to have to find ways of making more appropriate use of common sensitive spaces. I think this is an appropriate mechanism and I hope the attempt to resolve the land trust in the Oak Ridges moraine will affect the people of Durham, I think to the betterment, for many of the reasons you've made in your paper.

I can only say that this will be a tight year for getting money out of the land transfer tax fund, whether it's 10% or 1%. I think showing an initiative and recognition might be the right thing to do, and I think at the right time because of the debate around water quality, quality of life and the whole Oak Ridges moraine. It's timely, the presentation.

Mr Parsons: Are you involved with trail alliances also?

Mr Attridge: The which alliance?

Mr Parsons: Trail alliances, like the Eastern Ontario Trail Alliance.

Mr Attridge: Not specifically with the Eastern Ontario Trail Alliance, but I am a lawyer and I have advised the Ontario Trails Council. I'm in the process of doing a study on trail liability issues and the economic

benefits of trails and some other legal issues. I'm certainly familiar with trail issues, yes.

Mr Christopherson: The alliance holds the land in trust? I don't know exactly how this works.

Mr Attridge: The Ontario Land Trust Alliance is the umbrella organization. It itself does not hold the land. It's the individual members which are land trusts and they are non-profit charities that work specifically in their own local area to talk with landowners, identify priority sites and then to essentially identify the most appropriate mechanism. It might be one of those conservation agreements, it might be a donation of land, it might be a lease, it might be an option to buy the property. There certainly is an opportunity to, perhaps, buy at a reduced price.

Mr Christopherson: How much public money is involved?

Mr Attridge: It depends on the land trust. We've been able to work with some private foundations and a variety of sources in order to provide programs to the land trust. And they are out there raising their own funds. Government funds tend to be limited but I think one of the benefits of land trusts that I've tried to demonstrate is that there is an opportunity to really leverage many times the investment that might be made into land secured and the kinds of ecological services that have an immeasurable value from that protection.

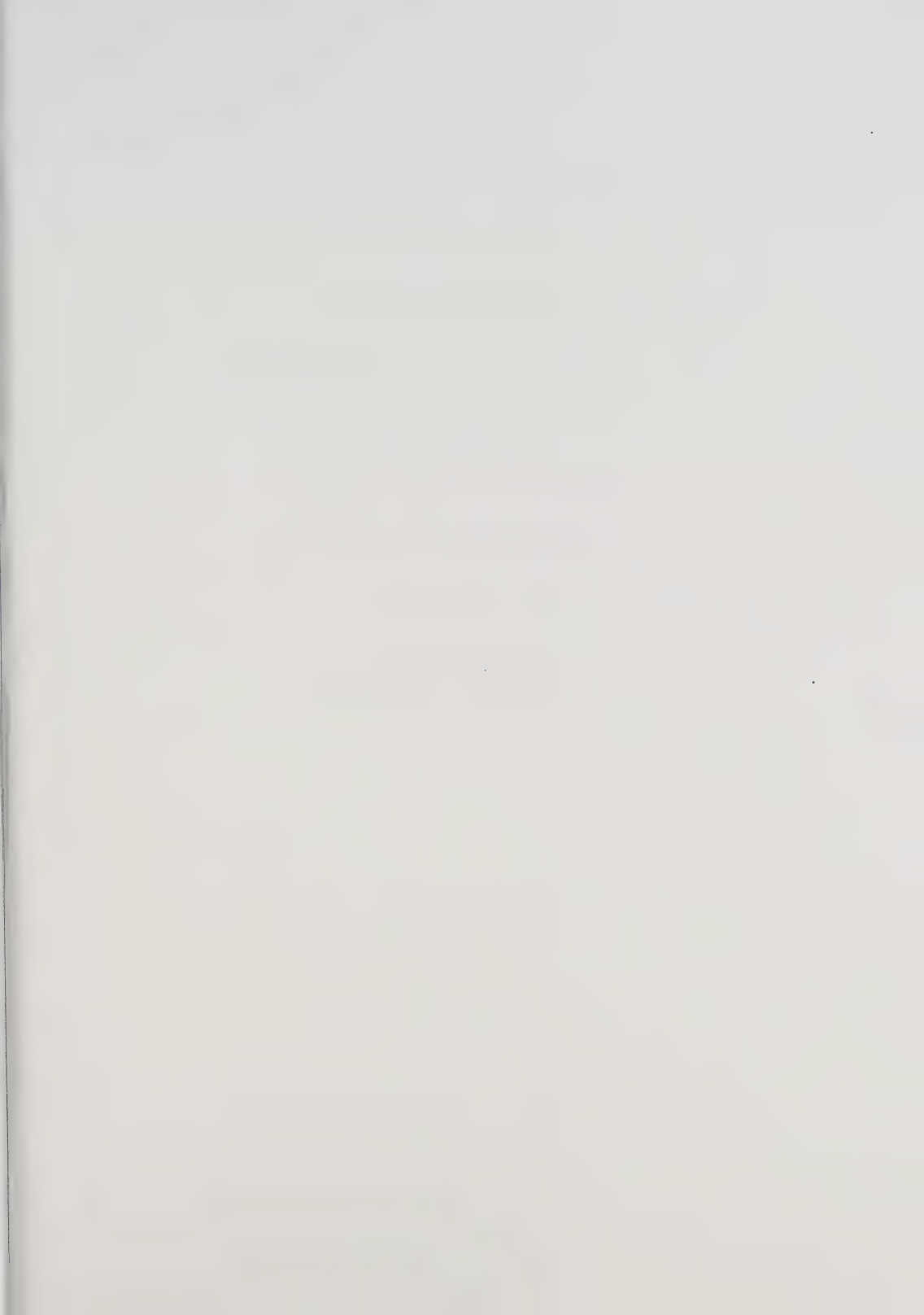
The Chair: With that, I would like to thank you on behalf of the committee for your presentation this afternoon.

Mr Attridge: Thank you, sir.

The Chair: I guess one item before we adjourn is that for those who wish to take the bus tomorrow to Waterloo, we will be leaving at 7:45 am, in front of Queen's Park.

This committee is adjourned until 10 tomorrow morning in Waterloo.

The committee adjourned at 1655.



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**Standing committee on
finance and economic affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires



Chair: Marcel Beaubien
Clerk: Susan Sourial

Président : Marcel Beaubien
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 7 March 2002

Jeudi 7 mars 2002

The committee met at 1000 in Federation Hall, Waterloo.

PRE-BUDGET CONSULTATIONS

ALLIANCE OF CANADIAN
SECOND STAGE HOUSING PROGRAMS,
ONTARIO CAUCUS

The Chair (Mr Marcel Beaubien): Good morning, everyone. It is 10 o'clock, and I would like to bring the standing committee on finance and economic affairs to order.

Our first presentation this morning will be from the Alliance of Canadian Second Stage Housing Programs, the Ontario caucus. I would ask the presenters to come forward and state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Ms Linda Theijsmeijer: Good morning and welcome. Thank you for having us this morning to speak to you.

My name is Linda Theijsmeijer, and I am the secretary treasurer of the alliance. To my immediate left is Donna Hansen, who is the coordinator of the Alliance of Canadian Second Stage Housing. Unfortunately, Shelley Yeo—that was the third name you had on your agenda—was not able to make it this morning. She sends her regrets.

Again, thank you very much for allowing us this time to make this presentation to you. I will begin.

We come before this committee today for the third time on behalf of the membership of the Alliance of Canadian Second Stage Housing Programs for the Ontario caucus. Once again, we implore this committee to urgently recommend that making adequate, annualized funding of second stage housing programs in Ontario be a priority for the upcoming budget.

Studies have shown that women are most at risk when they are escaping from their abuser. Second stage housing provides additional safety and support during this dangerous time when women and children are leaving their abusive relationship.

In 1995, second stage housing lost all provincial funding that had supported on-site counselling programs. Even after six years, second stage housing programs across the province have remained devastated. There has been a significant loss of programs, staff and ultimately

safety and support for the women and children who access the programs and the persons who staff them. Boards of directors and staff in these organizations have had to shift their focus toward fundraising just to survive.

Second stage housing programs in Ontario need the support of the Ontario government. Please listen carefully to our concerns.

Second stage housing was developed in response to an identified need for long-term safety and support for women and children leaving abusive relationships. Emergency shelter workers witnessed women having to return to abusive partners when leaving shelters because of a serious lack of safe, affordable and supportive housing alternatives in the community. The lack of affordable housing in the community is even more acute today, making the need for second stage housing for abused women more necessary now than at any other time in its history.

The first second stage housing program in Canada was built in British Columbia in 1979.

A 1996 survey by Canada Mortgage and Housing Corp shows that safety is the number one reason that women, with or without children, seek housing at second stage facilities.

Approximately 40 women are murdered by their estranged partners each year in Ontario alone. According to a 1994 study of intimate femicide, the study also shows that women are most often murdered when making an effort to escape from their abuser. The slaying of three of the six women in Ontario the summer of 2000 proves this point. Gillian Hadley, in Pickering, and Bohumilla Luft and her four children, in Kitchener, were living apart from their partners at the time of their murders. Laurie Lynn Vollmershausen, in Stratford, had just informed her partner of her intent to leave him when he stabbed her to death while their children ran screaming in terror to a neighbour's house, pleading for help for their mother.

Today there are 27 second stage housing programs operating in the province of Ontario. The facilities range from three units to 40 units, with an approximate total of 375 units. They are typically a self-contained apartment, townhouse or single family unit where women can live independently with their children for approximately one year. The length of stay depends on the needs of the women and the program guidelines. Though second stage housing programs may vary in size, configuration and

management style, the mandate of all programs is to deliver services which contribute to keeping women safe.

Women often access second stage housing after leaving first stage shelters. Living in second stage housing provides women the opportunity to rebuild their lives and the lives of their children in a safe, affordable and supportive environment.

Second stage housing provides a unique service to women and their children. Women living in second stage housing are usually on a low, fixed income. During their tenancy, women are able to set goals and objectives, connect with appropriate community resources and are provided the opportunity to build new skills as they move on to economic independence.

Since the Ontario Ministry of Community and Social Services cut 100%, or \$2.56 million, of funding from second stage housing, all programs have changed. Counselling programs have been carved to the bone. Many second stage housing programs are in crisis survival mode. Today, on behalf of the Alliance of Canadian Second Stage Housing Programs, Ontario caucus, we are asking the provincial government of Ontario to support the continued operation of these efficient and cost-effective services for women and children in this province who are fleeing abuse.

It is important to note that on-site programming at second stage housing is now being provided largely by counsellors who come into the facility from a counselling service within the community. Counsellors come in for a very limited number of hours each week, and directors are reporting that this is not adequate. Directors report that there are long waiting lists for service and that the counsellors coming into the facility cannot create the same level of trust and the continuity of service that an on-site counsellor can develop with the women and children.

Adequate and effective counselling is especially important for children. Statistics and experience show us that children who witness violence, or have experienced violence, too often grow up to repeat the violence as adults. The deadly, learned, intergenerational cycle of abuse haunts too many Ontario families and must be broken. Second stage housing wants to do its part in breaking this cycle.

Ms Donna Hansen: In June 2000, Ralph Hadley broke into the home he had shared with his estranged wife, Gillian. After an intense and ultimately futile struggle by her neighbours to save her, Ralph Hadley murdered her and then committed suicide. In February 2002, the jury at the inquest into Gillian Hadley's murder made 58 thoughtful and pertinent recommendations. We refer you to, and we quote, recommendation number 23:

"We recommend that the government of Ontario and the government of Canada immediately provide new funding for developing additional permanent subsidized housing units and 'second stage' subsidized housing units, which are medium-term housing with supportive counselling and advocacy services, sufficient to meet the

current and forecast needs for subsidized housing in each community of Ontario."

A recent poll of second stage housing programs shows clearly that: some 50% of second stage housing providers say that they do not have a sufficient number of units to meet the need in their community; second stage housing providers regularly receive referrals from other communities without second stage housing programs; waiting lists hold an average of five names of women, with or without children, who require the longer-term safety that second stage housing provides; second stage housing providers report an average occupancy in February 2002 of 93%.

Since 1995, second stage housing in Ontario has been both downloaded and starved for funding. However, second stage housing providers and their boards of directors continue on against all obstacles. The need for second stage housing in Ontario continues unabated.

In closing, we can do no better than to quote a woman who was a resident in the second stage housing program in London, Ontario. She said, "I am very proud to say that I am no longer a statistic and that I have had the opportunity to be surrounded by healthy, caring people. They're people you can count on when you really are honest with yourself about being a survivor of woman abuse."

The Ontario caucus of the Alliance of Canadian Second Stage Housing Programs is requesting the inclusion of annualized funding in the amount of \$5 million for second-stage housing programs in the next provincial budget.

Thank you for your attention. We will be very pleased to answer questions.

1010

The Chair: We have approximately three minutes per caucus, and I'll start with Mr Kwinter.

Mr Monte Kwinter (York Centre): Thanks for your presentation. In 1995, you received \$2.56 million from the provincial government, and then that was cut off, and now you're looking for \$5 million. I guess that's to take care of the expanded service, inflation and everything else?

Ms Theijsmeijer: Yes.

Mr Kwinter: How do you get your funding now? I understand you do fundraising, but are you solely dependent on fundraising?

Ms Theijsmeijer: Currently, the government provides some second-stage housing programs across the province, what we call "bricks and mortar" funding. That provides for the maintenance of the building, whether it's townhouses or apartments. In other words, we can paint a unit, we can clean the floors and we can clean the walls after a family moves out. The funding that we do not have and which we're seeking would restore support or counselling services to the women and children so they do not return to their partners and they're not then at risk of the children growing up and repeating the violence. How do we do that? We fundraise. That's how we do it.

Mr Kwinter: So the ministry—I assume it's community and social services—provides you with capital funding for the structures, but—

Ms Theijsmeijer: The Ministry of Municipal Affairs and Housing provided the bricks and mortar operating capital. My program specifically in Stratford, as of April 1, will be downloaded to the municipality. Again, that's strictly bricks and mortar funding—that is, no supportive programming whatsoever.

Mr Kwinter: With the bricks and mortar, do you have enough accommodation? I see you've got, on average, five women waiting for service. Is that because there isn't the capacity?

Ms Theijsmeijer: Yes. I can speak to you specifically about my program. We have 20 apartments. They range in size from one- to four-bedroom units. Currently we have 20 families residing in those apartments and I have four families on my waiting list. The women who are currently residing there can live there for up to one year. There's a chance that the four families who really need the safety of our program will not be able to access our program because we don't have units. We are very fortunate in Stratford in that we do have a program. There are many communities that don't.

Mr Kwinter: So this money that you're asking for is for counselling?

Ms Theijsmeijer: Counselling and support services, yes.

Mr Kwinter: What about the municipality? How does the municipality participate? What funding do they provide?

Ms Theijsmeijer: Again, we're working all of that out. The municipality will not be providing any counselling or support services funding. It will be the downloading process from the province to the municipality, and I anticipate that the province will maintain its commitment to providing that bricks and mortar funding for our programs.

Mr John O'Toole (Durham): I'll be sharing my time with my colleague. Thank you for your presentation this morning. Just to make sure that you recognize, I'm from Durham region, so I'm very familiar with the Hadley case. In response to that, in the last budget prior to this, it says the government "will provide \$26 million over the next four years to improve the safety and security of abused women and their children in crisis by adding 300 beds" and refurbishing others—100 in fact. "We will also provide \$3 million this year, growing to \$9 million annually, for counselling, telephone crisis services and other supports."

So the government is aware and, initially, last year, responded. I understand, for instance, that there is a new women's shelter in Pickering. There is also a women's shelter in my own riding of Durham that will be coming on stream fully funded, which I think is an important initiative.

Arguably, in any program, there is never enough support, but I can assure you that the government is quite aware, and not just of the report from the Hadley inquiry

that you referred to. I just wanted to put that on the record, that we're not insensitive to it. We deal with it on a reasonably regular basis. I think the government is trying to respond, and perhaps Mr Mazzilli would respond as well.

Mr Frank Mazzilli (London-Fanshawe): Thank you very much for your presentation. I certainly listened. I know the needs are different among different communities and the services that exist are different in different communities. In London, we're very fortunate that we have first-stage and second-stage housing, and there's also the London Battered Women's Advocacy Centre. This is the part I find confusing, if you will. The battered women's advocacy is supposed to provide community support, counselling, to go out to people's homes or where they are, or people come in for that counselling. As service providers, what are you doing to coordinate your services so that perhaps one is bricks and mortar and one is counselling, and we're not duplicating all over the place? I understand that not every community has all three, but in the ones where we do have all three, can one entity be bricks and mortar, where it is safe housing, and another entity be responsible for providing counselling?

Ms Theijsmeijer: I think if I may answer that, you're correct in that. Specifically in my community, we're not fortunate enough to have the diversity of services that London has. Having said that, we work well in our community with the struggle. The problem is there is such a great need for service that when counselling dollars come in to our community, they traditionally go to first-stage shelters. They are so overworked and the volume is so high that the women who are living in second-stage housing programs don't access the service because the shelters often make it a front-line mandate that women who are calling in on the crisis lines etc receive the service.

Women who are living at second-stage are often ignored. We have them for up to a year. We need an on-site counsellor. We stand the best chance of breaking the cycle, of making change for women and certainly affecting the children in a positive way.

Mr Mazzilli: So you don't see any way of bringing the services together?

Ms Theijsmeijer: We have tried in our community and we work well together. However, again, the demand is so great that we need a clearer division. Having one counsellor on-site would be so important for me, and it would make a huge difference.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

COALITION FOR LEGAL AID TARIFF REFORM

The Chair: Our next presentation will be from the coalition supporting tariff review. I would ask the presenter to please come forward, and if could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Kathleen Nolan: My name is Kathleen Nolan. I am a local criminal defence lawyer. I have been asked to speak to you—and I know you've heard submissions in other regions—by the Coalition for Legal Aid Tariff Reform. That coalition is an association of legal organizations such as the County and District Law Presidents' Association, the law society, the Criminal Lawyers' Association, the Family Law Association and the Refugee Lawyers Association.

I think you're aware that the purpose of our submissions is threefold. One purpose is to hopefully have you acknowledge that the current tariff we receive, which I think you may know is between \$67 and \$84 an hour, is very inadequate from our perspective. We're asking that you acknowledge that it be increased to \$100 to \$125 dollars an hour. The other purpose we're here for is to hopefully have you commit to this funding over a reasonable period of time. The third purpose is hoping that you will allow us to have a permanent review process, because our feeling is that we're in a crisis situation right now.

It's been 15 years, as I think you may be aware—not since 1987 have the criminal defence lawyers received any increase in tariff. In addition to that, the inflation that has occurred in the 15-year time period has really put us in a situation where we really have 32% devaluation in our services and our fees. As you may be aware from the material and hearing from other submissions, that's not similar for other components of this publicly funded legal system.

In 2000, the crown attorneys, for instance—the other side of our process—received a 30% increase in their fees. Since 1997, they've also been able to hire 235 more crown attorneys for the ever-increasing workload that all of us face. The judges in 2000, as I'm sure you're aware, received a 30% increase in their salary. Again, we have not received any increase in the last 15 years.

1020

Other parts of the process as well, such as the privately funded social workers who work for the office of the children's lawyer in the court, have received a 150% increase. In 1999, they received \$30 an hour and in 2001, they received \$75 an hour. So it's actually more than a lot of lawyers would make on a legal aid tariff system. The communities in that system also provided money for a community policing program for the police. They've hired 1,000 more police officers. It's a situation where we feel we're not being addressed similarly.

As many of you are aware, we are professionals. Many of us, such as myself, have gone to school for a great deal of time, for eight years of post-secondary education: honours BA, three years of law school, a year of articling. Many new lawyers find they come out of school with a very big debt load. It's just not worth their while to take a legal aid certificate, when as a privately retained lawyer, two things are different: they can make much more than double that if they don't take a legal aid certificate and, as well, they don't have any limit as far as the hours they can bill for.

Currently, in our legal aid tariff system, for criminal lawyers, many certificates just allow us to have a six-hour limit or an 8.5-hour limit. When you think of what we're supposed to do in that time period—which is often interview our clients, prepare, have pretrials with the crown attorney, review the evidence, the disclosure, attend at adjournments and research the law for sentencing and for trial purposes—that limit often doesn't nearly cover the time we've actually put in our files.

I know that in this area, it's been particularly difficult because we no longer have a local jail. It used to be in Cambridge. Now we have the superjail system. For most of us, our clients are housed in Maplehurst in Milton. Why this impacts us even more is because if we have a limit of six or 8.5 hours at the tariff rate that I've indicated to you, we're not paid, for instance, for travel time to see our clients, we're not paid for waiting time, whether we wait to see our clients at Maplehurst, or whether we wait in court for a matter to be called. So much of our allowable time can be used up in ways such as this. For instance, if we travel to Maplehurst, it can take an hour each way; that's two hours. Right now, it's very difficult for us to see our clients very quickly. So five hours of that time can easily be used up just going to visit our client, without even having appeared in court, prepared our material, had pretrials or anything such as that.

I know that many of us are experiencing morale problems because it's just very frustrating, as I have indicated, to see the increases around us. I can tell you that many of us are very, very committed to serving our clients well in this community and elsewhere. We have a very strong Criminal Lawyers' Association. To constantly be faced with these problems and, in essence, what is pro bono work by many of us when we take a legal aid certificate is really demoralizing. So that's one of the situations we face.

When I talked about waiting time, for instance, when we're in court, we're not being paid for waiting time under the legal aid certificate. We're often sitting in court. We can't call our matter first or second or in the middle. For instance, if we sit from 9:30 or 10 o'clock and don't get called until 4:30—if we're called at all—again, our certificate is used up. So many persons in this area just don't feel it's worthwhile to take legal aid certificates.

I think one of the fundamental principles in our society is we believe that if one truly can't afford a lawyer, one has a right to be represented. That's just not always happening with this crisis, and it will get even worse. For instance, people are now showing up in court unable to find a lawyer who will take their certificate. They're then unrepresented. It causes delays in the legal aid system. It may have been pointed out to you on a previous occasion that many other problems occur, such as persons who don't have legal advice just putting their matter through the system without getting very solid legal advice, running into problems such as wrongful convictions, leading to ultimate appeals down the road

that obviously cost our system a lot in the long run, much more than I'm suggesting it would right now. It's our submission that it's not in keeping with what I indicated earlier is a fundamental principle of our legal system.

I think at this point right now I'll answer any questions. If I have time, I can go on with any statistical or personal anecdotes that you require.

The Chair: Thank you very much. We have approximately four minutes per caucus. I'll start with Mr Hardeman.

Mr Ernie Hardeman (Oxford): Thank you very much for your presentation this morning. You are right: we have heard some previous presentations on the problem as it exists in the legal aid system now. Part of what I wanted to discuss is what happens with, shall we say, the shortage of available legal services in comparison to the legal aid certificates that are issued? One of the things of course would be, as you mentioned, that people go into court without proper defence or proper representation. What does the judge do with that?

Ms Nolan: It's interesting because there really isn't, as far as I'm aware, any precedent in terms of what the judge can do. There have been precedents in the past on a similar principle. There was a case called Rowbotham decided in the Supreme Court of Canada where a person was facing serious charges and couldn't get representation. The judge in that case went so far as to stay the criminal proceedings. In other words, the charges weren't proceeded with. That was subject to whether or not he ultimately could get legal counsel, but it would be my suggestion that if such an extreme measure were taken, that wouldn't be very, for lack of a better word, popular with the public either, to have such a situation arise where charges were stayed.

I'm not aware and I don't really think that the judge has any jurisdiction, for instance, to make a lawyer take a legal aid certificate. I think he can order that to happen if they're unrepresented. But to actually say to a lawyer, "You have to take a legal aid certificate," I think they'd be very hesitant to do that and I don't think they have the power to do that. So it simply would be a case of an unrepresented person then being in court and ultimately representing himself or having the charges stayed.

Mr Hardeman: If the budget were to deal with increasing the tariffs for legal aid certificates, I have the other problem in dealing with the effects of the process and making sure that we provide more and better legal services for all citizens. How do we deal with the fact that, as you mentioned, presently there's the situation where you get five hours per certificate, but there are cases where that very well could be taken up with travelling and you really don't get to defend the individual in court? If we increased the rate by 30%, you still have only five hours, so you still spend it all on the road and my friend still gets no defence. How do we accommodate that if there was a 10% or 20% or whatever increase in tariffs, in fact we are going to get more and better services in the system?

Ms Nolan: Ultimately, my representation would be that I would hope the tariff would be increased and that there would be reform, ultimately, of the limit we would have in terms of our hours that we could bill. But in terms of the tariff increase, I talked about morale, and I think the morale among defence lawyers is poor in the sense that we know there's such a discrepancy in what we make hourly compared to other publicly funded persons in the system. I think if that tariff were increased, it would slow down the flight of lawyers not taking certificates, and I think it would increase their morale and they would at least at this point be receiving more hourly.

It's just become accepted among lawyers who take legal aid certificates that they're going to do work beyond the tariff limit right now, so they would continue to go beyond the hourly limit and represent their clients to the end. But I think at this point it's one important step to at least increase the rate and perhaps then ultimately reform the maximum hours they have too, because both, it's our submission, are woefully inadequate at this time.

1030

The Chair: Mr Kwinter.

Mr Kwinter: Thank you for your presentation. As you have indicated, we've had at least two representations by other groups on this issue. Is the \$67-to-\$84 range determined by the nature of your activity or is it just that different areas pay different amounts?

Ms Nolan: It's simply determined by your experience level. A person who has up to four years' experience practising law gets the \$67. The next \$75-something is given to four to nine years' experience in practising law. Ten years and over is given the \$84 rate. So it's strictly related to your experience and time practising as a lawyer, not the nature of the charges. You could have a particularly complex charge and still be paid at \$67 an hour.

Mr Kwinter: The proposal to go to \$100 to \$125 is still way below what someone would get in the private sector at the \$125 level.

Ms Nolan: That's exactly right. We've tried to be somewhat realistic in the sense that it certainly is, and I suppose with what we recognize are financial constraints on the government and everyone else, but that's the increase we're asking for at this time. It's still far below the market rate. Again, private lawyers get much more and there are no billing limits. They can bill all of their hours. But at this time that's what we're asking for.

Mr Kwinter: So, as you say, this is a pro bono component of what is happening.

Ms Nolan: Yes. I think there were perhaps questions earlier about the fact that there is an initiative for lawyers to provide pro bono work, but legal aid lawyers do it all the time just by virtue of taking a certificate.

Mr Kwinter: What about if it was structured in such a way—and I'm not trying to give you a tough time. You were saying you represent the criminal bar. Sometimes you get to court at 9 and you don't get called till 4. During that time, surely you have the ability to call other clients and do other things and you're billing them

anyway. You're billing them whether you talk to them on the phone or in person. Is there some way of graduating the payments so there is a fee for travel time, a fee for waiting time and a fee for actually doing the legal work which might make it more receptive to the people who are structuring the budget to saying, "This is fair and reasonable"? As my colleague Mr Hardeman said, you could in fact get the increase to \$125 and you're still spending the time waiting.

Ms Nolan: That's correct. I think there are ways to do it. I know previously the tariff system was run by the law society and now, as you are aware, I'm sure, the government sets the tariff rate and Legal Aid Ontario administers it. Previously there were inclusions for waiting time, there were higher billing time limits and things such as those, but in the past 15 years that pretty much has not been the case.

It could be restructured as well as increasing the tariff to hopefully accommodate that. But I know that often it's the case where legal aid lawyers are in court and they're only dealing with a legal aid client or two legal aid clients. For instance, if I have a trial for a legal aid client, I'm waiting in that courtroom for that client alone and I'm not billing any other money in that time period, so I'm sitting, waiting for my matter to be called. In essence, if I've already maxed out the certificate, so to speak, I'm really not getting anything else while I'm waiting. But again, to answer your question, I think there perhaps are ways that it could be restructured so that we would get valid waiting time and other initiatives such as that.

Mr Kwinter: In the criminal bar, I don't think you have too much to do with the community legal aid clinics, because they don't deal with criminal matters. But you're not just talking for the criminal bar, because you're talking for everybody who participates in legal aid.

Ms Nolan: Yes.

Mr Kwinter: I didn't get a chance to ask, because we ran out of time: what is the interaction in the way of legal aid funding between the community law clinics and lawyers who practise legal aid? How do they get paid?

Ms Nolan: I think I'm probably the only criminal lawyer who's spoken to you. My expertise or experience is really in criminal law. But my understanding is that they're really distinctly different.

Again, for criminal law, we don't have an association with the clinic. For family law matters, for instance, there would be no sort of integration or current coordination with the clinics. For instance, if someone qualifies to have a family law lawyer under the certificate program, they would kind of be doing all the work involved. If someone has a situation where perhaps they wouldn't qualify for legal aid, because certain cases don't qualify for legal aid because of the nature of the case and it's not just the financial situation, usually those persons would go to the clinic and be advised there. But the clinic usually doesn't have lawyers who actually go to court for these persons. They give advice within the clinic, but if

you need to have a lawyer to go to court with you and commence litigation proceedings or proceed with that, you really have to have your own lawyer, and that's by way of a certificate situation rather than the clinic.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

GRAND RIVER TRANSIT

The Chair: Our next presentation, the original one, from Conestoga College was cancelled and the Council of Ontario Universities has not confirmed yet. If they show up later we can take them on. But the Grand River Transit presenters are here, so I would ask them to come forward, please, and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation. I hope we're not rushing you.

Mr Graham Vincent: Thank you for seeing us this morning. My name is Graham Vincent. I'm the director of transportation planning for the region of Waterloo. On my right is John Cicuttin, who is the manager of transit development. On my left is Don Snow, the director of transit operations with Grand River Transit.

Just to be clear, Grand River Transit is operated by the regional municipality of Waterloo and it is the municipal transit system that services the Kitchener-Waterloo-Cambridge area.

There is a package with you and you can follow through with the presentation. In the back are the photographs you'll see up on the slides here, so you can follow through if you'd like. It starts after the actual written submission.

This morning we would like to present to you the dilemma of municipal transit systems, particularly Grand River Transit, and suggest some recommendations for how the provincial government can assist to meet our mutual objective of Smart Growth.

Waterloo region is a community of over 450,000 residents, and it's a southwestern Ontario economic engine. The region's diversified economy ranges from high-tech research to advanced manufacturing. It includes three post-secondary educational institutions and boasts exports of over \$8 billion annually. Waterloo region has experienced rapid growth and now ranks as the 10th largest CMA in Canada.

In 2000, a new regional transit system was created for Waterloo region, Grand River Transit. It was formed by amalgamating the local transit systems of Cambridge Transit and Kitchener Transit.

While population growth has been significant in Waterloo region during the last decade, transit service and ridership have not kept pace. In fact, the fiscal pressures faced by local municipalities during the 1990s resulted in service reductions and significant fare increases that, in combination with the economic recession earlier in the decade, precipitated a 20% ridership decline, as this graph presents. The red line represents ridership decline, which resulted mostly from the service hours that were cut during the 1990s. However, the green

line shows population, and you can see the significant increase in population in this area.

Local government is doing a lot of different things to support public transit. Specifically, in 1996 the region initiated a transportation master plan. It identified critical transportation issues such as congestion on many of our roads and also the issue of urban sprawl. There are quite a few areas within the region where there is isolated development that is difficult to service by transit today.

The transportation master plan included a target of reducing the share of auto travel from 84% to 77% by 2016. In order to achieve this auto reduction target, annual transit ridership needs to more than double, from 9.1 million to 19.5 million by 2016. So we are anticipating very significant increases in our transit ridership.

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Since the early 1970s, regional official plans have included a central transit corridor as a fundamental strategic initiative required to develop a compact urban form that reduces the need for excessive auto use. The corridor would follow a north-south alignment connecting many of the existing high-intensity employment, residential and commercial nodes, as illustrated in this particular slide. It would be the green line. By connecting these nodes, the urban areas of Cambridge south of the 401 with those of Kitchener-Waterloo, congestion would be alleviated on the busy Highways 8 and 401 corridors.

The full development of the corridor will achieve many of the region's and province's Smart Growth objectives. It's expected to create a significant modal shift from auto to transit, thereby maximizing the efficient use of existing regional and provincial roadway infrastructure. It's also expected to have a significant impact on reducing urban sprawl by attracting new growth along the corridor, as opposed to the periphery of the region. Ultimately, the corridor is envisioned to support a higher-order transit service such as an exclusive transitway or, particularly, a light rail transit system.

The region has undertaken a number of strategic actions already, within the last two years since we've taken over Grand River Transit, in response to the community's concerns with air quality and quality of life. Grand River Transit was established in January 2000 as being the first initiative, through the amalgamation of the two previous transit services. We've established a five-year business plan which was approved in principle and determined that to attain the goal of doubling transit ridership we needed to increase service and ridership by 4.5% annually.

We have initiated a transportation feasibility study to identify where the central transit corridor would best be located. It will address the feasibility of a higher-order transit system, station locations, technology and supporting land use.

We also purchased the Waterloo spur line from CN in the fall of 2001. This represents the red line that you see on this particular illustration. As you can see, it follows a good part of our intended central transit corridor and will be key in our future transportation system. It's a rail line

of approximately 19 kilometres and connects Elmira, north Waterloo, including the University of Waterloo, uptown Waterloo, and extends to the main east-west rail line used by VIA through the Kitchener area.

The region also made application in October 2001 to the Urban Transportation Showcase program, which is a federal program, and application in January of this year for the Golden Horseshoe Transit Investment Partnerships, which of course is a provincial program.

We've requested funding for a comprehensive program to condition the market for a future higher-order transit corridor through the implementation of a combination of expansion buses, new and improved bus and passenger facilities and a suite of advanced transit technologies to support the corridor, and for extension of the GO rail service from the Milton station to Cambridge.

The challenge that we have is that although Waterloo region was experiencing considerable population and employment growth during the 1990s, the local transit systems were in a period of retrenchment and disinvestment. In order to cope with shrinking budgets, the local transit systems deferred bus replacements. While capital costs were deferred, older buses resulted in increased maintenance costs and capital funding requirements for future bus replacements were significantly compounded. Currently, 10% of our fleet is over 20 years old, which is well over the expected lifetime of a bus. The older fleet has meant more emissions and less reliable service. Specifically, scheduled service is missed or interrupted daily because of vehicle mechanical breakdowns.

The largest service increases since the mid-1980s were implemented by GRT in 2000 and 2001, resulting in significant ridership growth. We've experienced 4% growth in both of those previous years, which is quite a turnaround from the decline in the 1990s.

Even though there continues to be tremendous community and political support for the continued development of GRT, the funding challenges are significant. The transit service needs to be expanded to catch up to the significant population growth that occurred during the 1990s. The transit service has actually decreased during that same period. Transit service must be expanded significantly to meet the auto-reduction targets of the transportation master plan and to build the ridership needed to support higher-level service along the corridor.

We have an aging fleet that must be modernized, and bus and passenger facilities must be expanded to accommodate the new fleet. New services will contribute significantly to increases in the operating costs.

Funding requirements: the strategic program over the next 10 years requires a capital investment of over \$100 million, as this particular slide will show. The details on it are on table 1, which is also included in your handout. That gives you the details of what the \$100 million will encompass.

It's difficult for the region to meet the funding challenge alone, in addition to the operating costs associated with expanding services and the growing demand for other municipal services, including specialized transit. A

significant investment in Grand River Transit is required in the near term to move the region toward our auto reduction target, and also ultimately realizing the vision of the central transit corridor.

A comprehensive program to expand transit service coverage and improve competitiveness with auto travel is needed to generate the ridership growth required to achieve the targets and support the implementation of our service.

The GRT strategic program includes critical capital infrastructure elements needed to attain 20 million annual transit riders by 2016. In particular, funding assistance is requested for the modernization of our transit fleet, including bus replacement and refurbishment; acquisition of new buses to expand and improve services, including express service along the new transit corridor; new and expanded bus storage and maintenance facilities; new and improved passenger facilities, including satellite transit terminals and multi-modal facilities to encourage interregional transit use; advanced transit technologies to improve passenger information, improve system reliability and generally enhance transit riders' convenience for region-wide and multi-modal interregional travel.

Funding assistance from senior levels of government is critical if the Grand River Transit strategic program is to be implemented and the transit modal shift target and the transportation master plan are to be attained, and the transit corridor, with an exclusive transitway or a light rail transit system, can be sustained. In fact, one third of provincial funding for bus replacements, bus expansion and facility expansion has been incorporated into Waterloo region's 2002-04 budget plan. If provincial transit funding does not materialize, our strategic program, in particular service improvements and expansions, will be jeopardized in a period when we are experiencing tremendous growth.

We applaud the province for the recent transit renewal funding and look forward to the GTIP funding commitments. But notwithstanding these recent positive funding announcements, the implementation of our plan and building the CTC require stable long-term capital funding commitments from senior levels of government. Because of the long lead time for bus delivery, requiring 18 months before buses are delivered upon order, and the lengthy duration between planning and implementation of a higher-order transit service, or any transit service, the transit authority requires long-term and stable funding commitments.

Just in summary, Waterloo region's strategic vision, as embodied in our official and transportation master plans, includes a significant modal shift to transit that can ultimately support a higher-order transit service such as an exclusive transitway or a light rail system. Multi-modal facilities will facilitate interregional travel by bus and rail. The full development of the transit corridor will support provincial and regional Smart Growth objectives. It will result in a significant modal shift to transit, thereby maximizing the efficient use of existing regional and provincial roadways in this area, and will have a signif-

icant impact on reducing urban sprawl by attracting intensified growth along the corridor.

The transit corridor and a higher-quality integrated regional transit network will facilitate employee recruitment and retention and provide equal opportunity to access jobs. A modal shift to transit will provide air quality improvements and contribute to greenhouse gas reductions, and the quality of life in this area will be enhanced because significant investments in transit will contribute to a vibrant economy and healthy environment.

In order to develop the transit market that can sustain higher-order transit service along the corridor, our strategic program was developed. Over the next 10 years, this program includes extensive service improvements, expansion of bus and passenger facilities and a comprehensive suite of advanced public transportation technologies. Funding assistance from senior levels of government is critical if the \$104-million Grand River Transit strategic program is to be fully implemented.

We have a lot of support from our community right now in the development of our transit program and this is a real opportunity to move forward at this time. That's why we feel it is so critical for the funding to be put together. If we miss this opportunity, we could continue to be an auto-dominated society.

The recommendations we have are also found in your package, on the front page. We fully support and endorse the Canadian Urban Transit Association's submission, *Moving Forward: Connecting People and Governments towards Action on a Shared Vision for Urban Transit*, which I believe they presented to you at a session in Toronto earlier this year.

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We recommend that the provincial government deliver on its recently announced 10-year provincial transit investment program and that this funding be sustained in order to meet transit's expansion and replacement needs; that the 10-year provincial transit investment program be enhanced with a dedicated funding source that can meet latent transit investment needs; that municipalities have the flexibility to invest these funds in capital and operating budgets for public transportation, according to local needs; and that the GTIP funding applications be approved to proceed to phase 2 immediately so that transit service and facility expansion plans can be expedited.

That concludes our presentation. Again, we would like to thank you for hearing us today and we welcome any questions you may have.

The Chair: Thank you very much. We have a couple of minutes per caucus. I'll start with Mr Galt.

Mr Doug Galt (Northumberland): Thank you for the presentation. Certainly urban transit is important to improving our air quality, as you've mentioned. I'm coming, with this question, from chairing the select committee on alternative fuel sources. I'm curious about your use of green fuels, now or planned in the future.

A little background: the committee was in Calgary, and their light rapid transit is called Ride the Wind, dedi-

cated to 12 windmills that are down in Pincher Creek. They have free ridership in the downtown core and they really limit parking. Parking is over \$300 per spot per month, so you pretty well have to use their transit system.

Where are you going with your plans? That was part of the question. The second part: there's been a lot of lobbying for municipalities to be able to charge some gasoline or fuel tax. If you were to receive that—a big “if”; I have no background information on the party or anything else, government; I'm just saying “if” because of the lobbying—how would you use it, and would it apply in any way to green energy such as biodiesel, ethyl, methyl alcohol, whatever, natural gas etc?

Mr Vincent: Perhaps, Don, you can respond to the question on the alternative fuels.

Mr Don Snow: Yes, I can. Thank you, Chair. We are in fact undergoing a study right now on alternative fuels. We do have, in our fleet of 140 buses, 27 natural gas buses. We are including in our study our experience with those natural gas buses. We are looking at clean diesel technology and what the impacts are on the environment. We have environmentalists as part of our study team looking at this, and we are committed to council to put together a package of recommendations as to where we will be going in the future. In fact, we have a tender that is under review in consideration by council for 20 additional buses that we hope to attain in 2003. The decision on what type of fuel will be part of the approval of that particular tender. So we are seriously looking at it. We are looking at the hybrids. We're looking at all the technology. We're looking at all the studies that have been undertaken. New York City, as an example, has done a very extensive study on the impacts of diesel versus natural gas, and we're looking at all of those before we make our final decisions on the future we will take.

Mr Galt: Congratulations.

Mr Kwinter: Thank you very much for your presentation. What component of your budget is fares?

Mr Vincent: Our revenue-cost ratio is around the 55% range.

Mr Kwinter: We heard from the association when they appeared before us and it seemed to me that their number was significantly higher. I found it interesting that they were saying that the fares are going up but the ridership is also going up. I questioned them because I felt that generally there is an inverse ratio, that as the fares go up, the ridership goes down. How are you finding that in your area?

Mr Vincent: Mr Cicuttin can answer that.

Mr John Cicuttin: You're correct; typically, if fares go up there's a negative impact on ridership. What we've done in the last five years is that we have kept the price of fares frozen for frequent riders. So for people who buy passes and tickets we froze that price over the last five years. However, we increased the cash fare. That's for the infrequent rider who is less sensitive to fare increases. That was our strategy and that seems to have been working successfully. The last two years we've had really the

highest ridership growth—4%—since the mid-1980s. That's unprecedented for this community. We think our fare structure is positioned to support that, and we'll continue with the principle of rewarding the frequent rider.

If I can comment on the association's cost-recovery ratio, which is higher than ours in terms of their statement: unfortunately, when you factor in Toronto—Toronto has a very high cost recovery ratio. I imagine they have a weighted average, so that's skewed to Toronto. Toronto's in a fortunate situation in terms of their critical mass and density. They can support high ridership and achieve a high cost recovery. In a community our size right now, where we are going from a mid-sized to a larger-sized system, we still have to be sensitive to the price of running an automobile, so parking is considerably cheaper in our community and travel time that someone spends in a car is not like in Toronto. We have to be more sensitive on the price of fares. Hence, if we were to pursue a strategy of higher fares and a higher cost recovery, we would jeopardize the ridership growth we're achieving.

It is a delicate balance, and I think we've positioned ourselves in a situation now where we can build on the ridership growth we're having. Our biggest constraint, as Mr Vincent has clearly indicated, is the need to get services out there. We've had 10 years of neglect. There are numerous subdivisions, both population and employment, that are not served adequately by transit. Our region now is very long, over 25 kilometres in length, so our travel time competitiveness with the auto is deteriorating. We need new buses to expand our service. We need to fix up our older buses that are unreliable, because our customers on a daily basis are unfortunately missing service. It's quite the funding challenge right now.

Mr David Christopherson (Hamilton West): Thank you for the presentation. Sorry I missed the beginning of it, but during the questions I've had a chance to go through your presentation. I'm really interested in the RTMP, the regional transportation master plan.

I spent some time on Hamilton city council and on regional council, so I've dealt with these issues and have a fair degree of interest in them. Your approach seems to be somewhat different than others, to your credit, where you looked at the whole community and said, “We want to have an auto use reduction plan.” You have different terminology, but that's the intent. The whole idea is trying to provide a balance of overall transportation. I'm assuming that in addition to buses, that kind of approach would also mean looking at what your local taxi situation is like, carpooling, trying to support and encourage that, bike lanes, pedestrian traffic, all the things that go toward less use of auto.

I want to ask all my colleagues or research, does anybody know if there's any other community or province or anybody nationally who takes that approach, where they say, “Here's how much auto usage we have, and over this period of time we want to reduce auto use in our

community"? Is anybody familiar with that, because I'm not. Are you?

Mr Vincent: Yes. If I can respond, municipalities, in their transportation master plans, are starting to lean toward looking at ways to manage demand, as opposed to just building new supply. Our transportation master plan is somewhat unique in that it was one of the first ones that came out with these types of initiatives. We're also one of the first municipalities that hired a transportation demand management planner, whose sole role is to go around and work with businesses, the education system and the public to encourage them to use other types of transportation, whether it be transit, cycling, walking, rollerblading, whatever it takes. We are starting to realize some successes. We've had the program in place now for a couple of years and we are starting to realize some successes.

Mr Christopherson: What I find unique is that the starting approach seems to be, "Here's how much auto use we have in our community and this is how much pollution it gives us. We want to be at this level," a reduced amount, "by a given period of time" and then approach everything from that starting premise. If that's correct, that's a fascinating and probably far more useful way to approach things. Rather than the silos of, "How do we get bus ridership up? How do we get bike use up? More pedestrians on their own?" start with the approach that, "We want to reduce overall auto usage in our community." I think that's fascinating and it makes a lot of sense.

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In fact, if I can, Chair, I'd like to maybe ask the researcher to take a look and see if there are other communities and to what degree they're doing that. Is the province doing that at all, and the feds? I don't think that's the approach we use in Hamilton. It just seems to make a whole lot of sense, that that's a far better starting point than taking each of these individual items and saying, "How do we promote those alone and hope we end up with less auto use?" Start with the premise, "We want this targeted amount of auto use less over a period of time," and then tackle all these other things and make sure they're integrated.

The Chair: If you want to reply, go ahead.

Mr Vincent: Just one comment. We've actually embedded that in our organizational structure, where we have combined transit planning, transportation planning, road planning and bicycle planning all in one area. That is unique in Ontario. It's more of a European type of model, but that gives us the opportunity to balance priorities between those various areas.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO, WATERLOO REGION

The Chair: Our next presentation will be from the Elementary Teachers' Federation of Ontario, Waterloo

region. I would ask the presenter to come forward; if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Patti Monteith: My name is Patti Monteith and I'm the president of the Elementary Teachers' Federation of Ontario, Waterloo region teachers' local. I represent approximately 2,500 public elementary teachers in Waterloo region. I'm proud of the quality teachers who educate the children in Waterloo region, but I'm very concerned as to our ability to meet the needs and expectations of students and parents with the continual erosion of funding to our public education system. Teachers in Waterloo region are committed to meeting the needs of the students we teach and to offering the highest possible public education. Each day we see and live with the impact the government changes have made on the public education system.

The needs of elementary students, teachers and educational workers are not being met. Elementary students continue to be funded at lower levels than our secondary students. Boards of education are being asked to address the needs of all learners, and yet must do so within the constraints of lower funding levels. Every student in Ontario deserves to be fully funded in order to meet his or her needs. Smaller classes are needed at the elementary level, as well as the resources that will lay the foundation for learning for each of the subsequent grades.

Currently, adjustments have been made in our primary classes to attempt to reduce class size from 24.5:1 to a more manageable level in the early years. Unfortunately, this is done at the expense of our junior and intermediate classes. No one group of students is more important or more valuable than any other. The current funding formula would suggest there is a difference. However, when you look at either the elementary or the secondary level of student funding, neither comes close to meeting the learning needs of the students nor the expectations of parents with regard to program availability. The impact on student achievement is reprehensible.

Over the past three years, ETFO has conducted a school-based survey to trace the changes resulting from the student-focused funding model, a model that seems anything but student-focused. The results show that there has been a loss of specialized teachers and programs in the last three years. Every board in this province has experienced significant program and specialized staffing cuts due to the restrictive nature of the government funding model. The learning environment of Ontario's students has been eroded by the reductions boards of education have to make in order to comply with the Tory government.

In Waterloo, as of September 2001, we have seen the reduction in teacher-librarians from 67 to 28. Currently, each teacher-librarian is now responsible for three to five schools, depending on the size of the school. The effectiveness in program delivery available to students and teachers has been greatly diminished. We can no longer sustain a partners-in-the-classroom approach or partici-

pate in team-teaching or enhanced learning opportunities for our students because the time and resources are no longer available.

In Waterloo we have had to eliminate the guidance program in our kindergarten to grade 6 classes. This has greatly effected school environment, the classroom climate and the support for students in need, let alone those in crisis. Again, levels of program delivery in our grade 7 and 8 levels are approaching ineffectiveness. While the curriculum identifies the importance of guidance through the Choices Into Action document, students are no longer able to benefit from the expertise of teachers trained specifically in this area and no funding is available to boards to implement alternate models. The support structure available to students within our school setting has decreased with the cuts to programs such as guidance. The impact is further compounded as teachers attempt to access community resources, only to find that they too have been affected by the cuts in spending and they are no longer able to support students at the same levels that were previously available. Once again, the children are the victims—children in crisis and in need of immediate support or intervention.

In Waterloo region we have a high English-as-a-second-language population. Waterloo region has the fourth-highest immigrant population in Canada. Through the student-focused funding model there is no consideration given to the unique needs of Waterloo. Many of the students we teach are David Martin Mennonites. English is not the language spoken at home and yet they have been living here for generations. Within the various immigrant communities, again, English is not the first language despite living here for several years. In many households English is not spoken by at least one parent and therefore is not encouraged in the home. No funding is provided to boards of education to address the needs of those ESL students who have been in Canada for more than 3 years. Studies show that support in the first language helps develop greater understanding and success in a second language. Support in any language requires specialized teachers. How are these students going to be successful in a system that does not recognize the unique needs of this segment of our population?

These reductions do not begin to address the cuts in special education funding. And yet with all of the reductions in teacher-librarians, ESL teachers and guidance teachers and restrictions on boards of education, teachers are still required to meet the needs of individual students despite whether inadequate, if any, support or resources are available. By support and resources we do not mean just physical resources. We need—no, the students need—the people resources to assist them, to support their learning needs and to provide instructional practices that will genuinely meet their needs, not just get them through the system. Teachers require specialized teachers, material resources and instructional resources to support the learning that occurs with students in our classrooms.

Boards of education are being asked to do more and more with no additional funding available: three-year collective agreements with only one year of funding information; early literacy with limited grant money offered; curriculum implementation with no increases in professional development budget lines and the elimination of five professional development days; a funding formula that reflects pre-1999 spending. Yes, we have stabilized funding but at a time when inflation has not remained stable, nor have the costs of basic utilities. And yet the list goes on.

In discussions with our director locally, he indicated that there have been at least 147 new initiatives presented by the current provincial government and relatively no additional money to successfully implement them. How do we as a society allow costs to be downloaded so significantly that directors all across this province—directors from public boards, catholic boards and franco-phone boards—have all agreed that the boards of education are at serious risk of imploding unless changes in the funding formula are made?

Increasingly, schools are compensating for shortfalls in funding by increasing their fundraising efforts. While they are raising money to purchase basic supplies, they are perpetuating the inadequacies of the funding model. Public education will become less and less publicly funded and more privately funded if we allow this to continue and allow parents, family members, the community and the even less popular corporate sponsorship to become the funding basis of our education system.

This is a problem not limited to Waterloo region. In a report from People for Education last year, 706 schools in Ontario reported fundraising at \$6.67 million. If we were to average this across the province, it would reflect fundraising efforts in excess of \$33 million. Locally, we conducted a similar type of survey, and the results are available for you in the attachments.

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Teachers, parents and students cannot continue to be involved in fundraising to supplement the shortfalls of the funding formula. Ensuring adequate basic classroom supplies, textbooks, computers and all other necessary learning materials to teach the curriculum is not the responsibility of these parties, but that of the government. Just as health care professionals and doctors are not expected to supply necessary medical supplies and equipment, teachers, parents and students should not be expected to continue to subsidize education funding shortfalls by purchasing materials and equipment with their own money, time and energy.

I leave you with these questions: when will this government recognize the inherent value in increasing spending in public education? When will the learning needs of students be accurately reflected in the funding levels in a supposedly student-focused funding formula? When will the government spend the money necessary to enhance their learning opportunities and to not force boards of education to cut programs to fit within the current funding formula? Finally, when will we begin to value the

quality publicly funded public education offered by educational workers in Ontario in their efforts to educate the leaders and citizens of tomorrow? Thank you.

The Chair: Thank you very much. We have two minutes per caucus. I'll start with Mr Kwinter.

Mr Kwinter: Thank you very much for your presentation. We've been travelling the province, and every single person involved in the educational system has been making the same requests and making the same observations. It's unanimous that the present funding system does not work. It's creating a great deal of stress in the system. I really echo the words you say, "The boards of education are at serious risk of imploding unless changes in the funding formula are made." I don't think anybody denies that, anyone who is involved, whether they're a parent, teacher, trustee or anyone who has any involvement with the school system. So I welcome your remarks.

I just have one question and I'd like to get your observation on it, because it seems to me, unless I've misunderstood what you've said, that it goes contrary to what we have heard. It is on page 1, when you talk about, "Currently adjustments have been made in our primary classes to attempt to reduce class size from 24.5:1 to more manageable levels in the early years." You say it's at the expense of our junior and intermediate classes. "No one group of students is more important or more valuable than any other." I agree that no student is more important, but I think that the time they get taught is more important. It's certainly been spelled out by Dr Fraser Mustard that the early years are the most critical and if you don't get them in the early years you're not going to get them, and as a result, that's where the emphasis has to be. What do you feel about that?

Ms Monteith: I would fully agree. The difficulty is with the way that it is set up. Currently in Waterloo we have allowed lower class sizes at the JK to grade 1 and 2 levels in order to allow the concentration and the instructional practices that best suit students of that age to be met. It can't be done in a classroom with 24.5 or more students. So locally we've made those compensations.

You're right, it sets the foundation for what occurs in the earlier grades, but that does not mean that those students in grades 4 to 8 or in our high school levels, where the class size ratio is currently 21 to 1 or 22 to 1, depending on the workload of the teachers and the needs of the students at that level—but we need to address that in our grade 4 to 8 level as well. Students in adolescence cannot adequately learn in classes of 30 to 35, where they have specific needs as well that need to be addressed. So while, yes, the foundation is laid in our primary grades, the learning doesn't stop there; it progresses through the entire system. Addressing the specifics at each grade level allows for greater learning opportunities for our students. Giving students more attention in a lower pupil-teacher ratio allows those learning opportunities to occur in a more effective manner.

Mr Christopherson: Thank you for your presentation. I think Leah Casselman said it well on Tuesday—

and she was referencing some aspect of the government's plans—when she said, "It's a joke." She said, "It's not funny, but it's a joke." I say that in drawing attention to your second-to-last recommendation, when you said, "When will the government spend the money necessary to enhance their learning opportunities"—meaning the students—"and not force boards of education to cut programs to fit within the current funding formulae?" The trick of this government has been to say, "Here's X number of dollars," and when the board of education or teachers or trustees come back six or eight months later and say, "We're not able to provide the services," the government's immediate response is, "You're a bad manager."

Believe me, you won't get much of an engaged discussion with the government members today on whether or not the funding is adequate. You're going to get discussions around bureaucracy, process. They'll go off on some tangent or other, but at the end of the day they're not going to address that question. Whenever the minister does it in the House, it's always your fault: you, the teacher, and you, the parents, demand too much; you, the trustees, want everything. That's the problem. It's frustrating that everybody's in a defensive position, saying, "Look, we just can't provide these services." One of your counterparts has come forward and said, "These are the mandates we have under law. Which law would you like us to break?"

In the moments I might have left I want to draw particular attention to ESL, because you spent a fair bit of time on that. I represent a riding in Hamilton and we have exactly the same kind of problem. This arbitrary removal of students after, I think, three years is crazy. If you don't speak English as your first language and you can't facilitate in that language, that's the only fact that really matters, not how long it has been. Can you expand on that a little?

Ms Monteith: What happened in the Waterloo board is that we had a variety of methods of delivery for our ESL program. Students who came in from refugee camps and that sort of thing were given very intensive support initially to make them comfortable, to make them welcome in the school environment, to help facilitate an initial start to learning the English language. The research has indicated that we also need to support them in their first language. We need resources in our schools, we need literature in our schools, we need translators in our schools to facilitate that so we can open the dialogue between the parents and the students, so we can relay what's going on in our school environment to what can be supported in the home environment.

The difficulty with the changes that have been made is the government came in and redefined definitions for support, and those levels of support were no longer available. When they identified that students living in Ontario for more than three years should have some proficiency in English, they failed to identify—in Waterloo region, one segment of our population is the David Martin Mennonites. They don't speak English. They also

traditionally don't stay in the education system because of their background. Children after the age of 14 start to work on the farms and that type of thing. English is not their first language but they have lived here for generations and generations. English is not spoken at home, it is not spoken by many of the parents and it is not spoken within their communities. So additional support is needed for those students in our schools to identify that, not to mention the immigrant populations that are coming into this area and the refugees. That also brings into account a whole different support that's needed for our students in order to make it a safe and comfortable learning environment for them, one that is very foreign to them and needs to address their language needs but also needs to address their emotional and psychological needs and the transition into Canadian culture.

Mr O'Toole: We heard from Phyllis Benedict earlier this week with a similar message and we've heard from others as well. I guess it's an ongoing discussion from the days when I was a trustee and I don't think the message has changed too much.

Government funding has increased since we took government, and there's a definitive paper on that—I'd be happy to share it with you—that explains all the adjustments: inflation, enrolment, the rest of it. It's almost \$7,000 per student, and 80% of that, of course, is wages and benefits. So for the biggest control of the budget part, you have as much say in your negotiations of how much public money you want to execute the size of your job. I guess finding a way of differentiating between who's worth that and who isn't, perhaps, is a discussion for another day.

On the ESL issue, there is almost \$1.5 billion in the budget for English as a second language. So there is money, despite your presentation this morning.

Class size has been an ongoing issue. That's what has happened over the years—negotiation. To get more money in the budget, what they did was reduce the number of teachers—in other words, increased class size. The evidence is there. It was there when I was a trustee in the 1980s and it's still there today.

I think there are arguments to be made to improve the quality of education in the classroom—in the classroom—with as much of the resources as possible. My wife is a teacher; my daughter is a high school teacher. I couldn't agree more. The purpose of the public education system is for the students first. I would put to you that you have used almost every possible lever to disadvantage the students to your own advantage—the 80% of the equation we spoke of earlier.

My question is this: do you support larger class sizes to increase the payroll? What is your sense, what is your official response to the student teachers—those are the future teachers—being denied the opportunity to practice-teach to complete their education as teachers? Do you support the current embargo, using one more lever to disadvantage those who don't have what you have, so that they won't be teachers in the future? Do you support that current embargo?

Ms Monteith: First of all, if the funding formula accurately reflected the costs that boards of education have to incur with regard to salary, and wasn't based on an abstract, out-of-date average, salary would not be an issue for our boards, as you indicate, to be taking up the bulk of the funding formula. If your government provided funding levels for individual boards of education that reflected the needs of those boards, then program availability, student achievement and concentration on the classroom could continue to be our focus.

When this government continues to erode the morale, to erode the conditions that students must learn under in Ontario's society, there is no answer except to eliminate the funding formula, to allow some boards the autonomy to put into place programs that the parents in the communities want, to allow boards of education to represent the needs of the communities that they are in and to accurately and fully fund education to the levels that are required. Your government has not put more money into education. You will have a presentation this afternoon that will demonstrate that in Waterloo region, it has not.

Mr O'Toole: Yours was 1.9% last year—

The Chair: With this, Mr O'Toole, I have to bring the discussion to an end, as we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

I think we'll have to recess until 11:40 because I don't think the next presenter is quite ready yet, so we'll recess for 16 minutes.

The committee recessed from 1124 to 1139.

GREATER KITCHENER-WATERLOO CHAMBER OF COMMERCE

The Chair: If I can get your attention, I'd like to bring the standing committee back to order. Our next presentation will be from the Greater Kitchener-Waterloo Chamber of Commerce. I would ask the presenters to please identify themselves for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr John Doherty: Thank you, Mr Chairman. Good morning and welcome to the greater Kitchener-Waterloo area, also known as Canada's technology triangle. My name is John Doherty. I'm the chair of the Greater Kitchener-Waterloo Chamber of Commerce and, in my other capacity, managing partner for Gowling Lafleur Henderson law firm here in Waterloo region.

With me today are Todd Letts, president of the Greater Kitchener-Waterloo Chamber of Commerce, and Linda Korgemets, vice-chair of our federal and provincial affairs committee and senior manager, taxation, for PricewaterhouseCoopers.

We have previously provided to you a copy of our submission, and a summary of the recommendations is contained on page 16 of that submission.

Today's submission is comprised of three components. Firstly, I will provide an overall context of the

strength of our local economy and its contribution to Ontario's economic health. Secondly, Todd will outline specific actions the provincial government can take, so that the greater K-W area can further assist in boosting Ontario's economy. Finally, Linda will outline the key fiscal parameters needed to ensure a strong foundation for our future economic growth.

Let me begin by stating that as Ontario's second-largest chamber of commerce, the Greater Kitchener-Waterloo Chamber serves more than 1,700 members representing all sectors of the business community. Our membership includes small, medium and large employers, who provide over 50,000 jobs in one of Ontario's most progressive and economically productive regions. Our key message to you today is that the greater Kitchener-Waterloo area is playing a vital role in both the economic and social health of Ontario, and that with a few key actions that start with the 2002 budget, the greater K-W area can even further boost the health and prosperity of the province.

The results of some recent studies provide the context that illustrates this point. The greater Kitchener-Waterloo area, with a labour force now numbering more than 270,000, is an important engine fuelling Ontario's economy. With a regional GDP of \$14 billion, it is interesting to note that a recently released tax-flow analysis by CTT indicates that this area contributes \$893 million more annually in provincial and federal taxes than it receives by way of provincial and federal transfers. Waterloo region's economic prosperity is thus a key contributor to the province's overall health.

The Bank of Montreal, in a report published in the fall of 2000, noted that the region was one of the premiere growth leaders in Canada. In fact, with a population of almost half a million, Waterloo region is one of the fastest-growing urban regions and now ranks as the 10th-largest metropolitan census area in Canada.

As well, Waterloo region was recently ranked in a study by KPMG as the third most competitive North American city in the northeast corridor, ahead of both Toronto and Ottawa and US competitors, including Boston and New York. Surprisingly, only cities from the province of Quebec ranked higher than Waterloo region.

Recognized as one of three pre-eminent technology centres in Canada, the region boasts more than 450 high-tech enterprises and more than 850 local technology-identified enterprises. Key firms include Research In Motion, Com Dev, Open Text, Descartes, Mortice Kern Systems and many others that will be familiar to you.

Not only a high-tech centre, however, Waterloo region has a very diversified economy. In education, our local economy is home to the number one university in Canada, where we are sitting today, as well as Canada's number-one-ranked college, Conestoga College.

In the insurance sector, the head offices of Clarica—soon to be Sunlife—Manulife and Equitable Life are here, and other important firms that make our region an important insurance and financial services centre.

In the auto sector, the region is home to Toyota's Canadian operations and to more than 250 auto and transportation-related companies. In food manufacturing, companies like Schneider's, Piller's and Dare are also key to the industrial sector. On the tech side, RIM and our various other leading technology companies represent more than 45% of all new jobs created in our region.

In the tourism sector, through Oktoberfest—an internationally known festival—the Elmira Maple Syrup Festival and many community festivals, the Waterloo region's tourism economy is also very vibrant. St Jacob's Country, one of Ontario's finest tourism destinations, welcomes more than three million visitors each year.

Notwithstanding the challenges that are facing the province in establishing priorities for the upcoming budget, the Greater Kitchener-Waterloo Chamber of Commerce is confident that a plan of strategic investment and prudent fiscal programming in this year's budget will set Ontario on a rejuvenated course of prosperity.

I'd now like to ask Todd Letts to elaborate on various initiatives we've identified in this year's budget that can help our region further boost Ontario's economy.

Mr Todd Letts: As John described, the strength and diversity of this region can play an even larger role in improving Ontario's economy with a few specific and strategic provincial actions.

One of the biggest barriers we have here is that we have a shortage of available employment land. I want firstly to thank the province for partnering with the federal government, the region and the private sector in a funding commitment to the Waterloo Research and Technology Park, which is just north of here. Once fully developed, that will be home to some 6,000 employees and make a significant impact on our economy.

If we take a look at specific actions, the government has announced Bill 56, the brownfields legislation. This will also assist our region very much and, as well, investment in infrastructure and a reduction of over-government on the municipal level are three specific actions that will allow us to even further help Ontario's economy.

Employment land is a significant barrier to our growth. With respect to the brownfields legislation, we certainly recommend that implementation of this legislation, including a brownfields registry and broadening of liability protections, is very important for this region. As well, we noticed in the legislation that there was not a direct kick-start incentive. I know that the brownfields expert panel that was constituted last fall recommended that some pilot projects would be a good first step in getting this program underway, and we certainly support that as well.

Investment in efficient infrastructure, both road and rail, will also allow the region to prosper. We have two applications in front of the SuperBuild Corp now: an extension of GO Transit service to Cambridge and a funding application for a central transit corridor, which will definitely assist our region in terms of developing on a Smart Growth path.

Highway 7: there's a lot of interaction within the region between Guelph and K-W. It's been more than 13 years since the first environmental assessment was undertaken on Highway 7, and it's very important, now that the Ministry of Transportation has done a number of consultations, looked at a number of different routes, taken into account the environmental issues and the agricultural and business interests, that we move forward quickly on development of that highway.

With respect to municipal government, the third action that is very important: in order for Ontario to reclaim its position as the best and most competitive jurisdiction in North America, we believe that reform of municipal government in Waterloo region must be facilitated. The current governance system in Waterloo region, with its upper-tier regional government, three municipalities and four townships, has resulted in a lot of duplication, overlapping and inefficient delivery of government services. After the development and release of more than six reports on governance and numerous calls to the province to appoint a provincial adviser, continued disagreement among the local councils has really thwarted any serious amalgamation or rationalization of services within the region.

In May, the Ministry of Municipal Affairs announced that the province would not provide any leadership in that direction, but rather that the municipalities must work together to provide governance solutions on a voluntary basis. Unfortunately, more than a year has passed and there has not been much progress on that portfolio. Although there are some piecemeal attempts to coordinate services, they really fall short of reaching the full economic potential. To assist the greater K-W area and the province, we would recommend that a provincial adviser be appointed to assist the municipalities in that regard.

In summary, the greater K-W chamber is confident that these strategic actions can position our region as a shining example of Smart Growth and success in Ontario and beyond.

To provide some further context with respect to how important a continued and strong fiscal strategy is, I'd like to ask Linda Korgemets to outline our fiscal platform.

1150

Mrs Linda Korgemets: This is the fun part of the discussion. This is the billion-dollar question, where we try to put some numbers together or see how we're going to keep going in a surplus- or balanced-budget scenario, given the economic downturn we find ourselves in. What you will hear from us today on this point is very similar to what the federal government hears from us for federal budget submissions, as far as fiscal policy goes. I'll get into some of those parameters shortly.

The first thing on our list is an odd thing to have on our list, but it's very important to us. It has to do with harmonization and co-operation with the federal government. There seems to be quite a bit of static of late, and more so between the two jurisdictions. That can't be

good for the country overall. We often hear Ontario speaking to the fact that they would like to withdraw from the federal-provincial revenue collection agreement. This relates to personal taxation and collecting personal taxes. Just in the last two months this issue has come up again. The federal government has apparently paid Ontario too much money under the equalization agreement, and so there's a cloud over that amount of money and what that means to our budget going forward. Again, there seems to be another reason why Ontario should withdraw.

We can only believe that if Ontario withdrew from the existing collection agreement, there would be increased administrative cost to the government of Ontario, and hence the taxpayers of Ontario, so we're very reluctant to go down that path. In fact, we want to go a step further. We would prefer to see the federal government put in charge of collecting corporate taxes for the province of Ontario, so that level of administrative cost is eliminated overall between the two governments. So we want to see it go the other way, as opposed to going to a separate collection administration. We'll probably have time for questions and feedback later, so if you have anything you want to speak to on that point, I'd love to hear it.

Also, every year we say we would love to see provincial sales tax harmonized with the GST, which is the federal sales tax. There hasn't been a study done in a long time to see what the benefits to business would be. I know Ontario believes their overall tax take would go down under this arrangement, but I think it has to be studied. I believe a business tax panel has been set up by Ontario in the last year, and I think this would be a very worthwhile project for them to examine and see if we could get closer on.

Moving into the numbers and what makes a budget tick, we always come in with a very strong position on the debt. We understand that currently there probably isn't a lot of money available to pay down debt, and so we understand there may be a short-term moratorium on that. But this has to be a long-term focus. I truly have to say that if we had dealt with the debt a little bit better in the past four years, we would have a much more flexible budget going forward, because we would have reduced interest costs. We always submit that reduced interest costs give us more money to spend on things we need, like brownfields development, infrastructure investments in transportation and all those types of things. We're still sitting, as you all know, with a \$9-billion annual interest cost, out of a total budget of about \$60 billion. It's a very large cost. It's probably our third-largest cost after health and education.

That leads us to: where do you go on spending? Without addressing health and education, which we cannot address in a meaningful way—as a chamber of commerce, we cannot give you hands-on recommendations—we're going to leave you with a few thoughts we have.

On health, we're going to be making a submission to the Romanow commission. We're looking at one aspect of health care delivery, which is the integration of

services between doctors, nurses, alternate practitioners and how to get a more efficient delivery of product to the consumer. We will be making a submission on that, and we will copy the government of Ontario. We know there has to be a restructuring of these major expenditure areas. I think we all feel there is inefficiency there, but we don't really know what it is. There's got to be a way to rethink how we spend our money in these critical areas.

Going forward, when you look at all your budget areas, if you can get these top two—well, top three with interest—in the right framework, then it leaves flexibility for the rest. We really don't want to see spending go up in this budget, except to the extent it's linked to population growth and inflation. That doesn't give a lot of upside on expenditure. We feel that any new spending that is significant, and things we would like for transportation and brownfields, has to come from other areas of the budget that aren't working. Do we know what those are? No, we don't. Because you've now heard people every day for many weeks saying, "We need more money for this, we need more money for that," we understand how difficult it is to determine priorities. New spending has to come from a reallocation of existing pockets. We can't, and we do not, recommend going into a deficit even for strategic infrastructure things that we're interested in having.

Other things we think of: there are numerous levies and taxes. They fall into a thing called "other revenue" in the provincial accounts. We have the Red Tape Commission. It's doing a good job, and it's now a fixture on the Ontario landscape. We believe they should be looking at all these other levies and fees to see if they're cost-effective. Does it make sense to have a whole department out collecting a particular type of tax when the cost of collection exceeds the revenue? We would love to see a report from the Red Tape Commission on that type of cost benefit for the myriad of taxes and user fees there are in Ontario.

We'd also like to point out—you've probably heard this on numerous submissions, and I sit in an ad hoc capacity on the Ontario Chamber of Commerce in Toronto and they too are raising this point as we are. It's on the Ontario retail sales tax, so again it's a sales tax issue. It relates to computer software and consulting expenditures and the confusion that has arisen in the last year on tax assessments in respect of this area. We believe that the legislation and the regulations need to be clarified in this regard.

We also believe that any penalties or interest related to existing assessments that are already issued should be waived because of the fact that there has been so much uncertainty in this area, and the business community totally has been put on the back foot with these assessments. We hope that is looked at as well in this budget and that some legislation comes out to clarify that position.

We actually have three minutes, and we'd love to have some feedback from you, so go ahead.

The Chair: We'll have to make it very quick: one minute per caucus.

Mr Christopherson: I'm going to do something that is probably going to surprise some folks. I want to compliment you on a very well rounded, balanced presentation. I've taken some presenters to task, who I think have benefited very much as a group from the boom and the tax cuts from this government, and who have made absolutely no reference to anything else.

Everybody has come in here—it's a pluralistic process and everybody is entitled and expected to come in and advocate their own message, and that's cool. But at least recognize there are other things going on and there are other priorities, and not everybody has gotten rich over the last few years or done well at all. Some have gone backwards, when you listen to some of the presentations on poverty, education and health.

I thought you handled it well. I don't necessarily agree with what you're recommending, but I want to compliment you for bringing those things into it, so that your picture of your whole community was more overall. To that degree, you mentioned Oktoberfest and the Elmira Maple Syrup Festival. You talked about brownfields and you even talked about the environment a bit. I was very impressed. I haven't had an awful lot of that from sort of the chamber type, if I can be that unfair.

My question would be on the issue of the brownfields, where you say there are 15 projects. Could you just expand on what those projects are and what you see there?

1200

Mr Letts: Thank you for your comments, Mr Christopherson. Of course, your riding of Hamilton is very much a leader in the promotion of brownfield development in Ontario. We do liaise with people in your riding quite often, and it's really great to see the leadership that's happening there.

The province's expert panel, the brownfields advisory panel, was constituted last fall, in October 2001. Part and parcel of their recommendations on liability, environmental regulation etc was that in order to kick-start and encourage both public and private sector partnership, there be pilot projects. They actually made the recommendation to include 15 projects. Those weren't 15 projects that were designated for Waterloo region or designated anywhere in Ontario, but we do concur that that is a very good start. The province does have what they call their brownfields showcase, which has one or two examples. But if you have a critical mass of 15, as was recommended by the advisory panel but was absent in Bill 56, we think that is a really good start to encourage development.

Mr Christopherson: Well done, again.

Mr O'Toole: Thank you very much for a very balanced presentation. I appreciate that. It's good to see you again, Todd. I just want to say, with respect to some of the tax administration issues, the Ontario Chamber of Commerce is involved with a committee that I chair in my duties as parliamentary assistant to the Minister of

Finance, the small business advisory committee. So we are taking a look at some of the administrative issues. I might take some exception: our disagreement with the harmonization of the PST and the GST is that it would actually result in more revenue, more tax, because in harmonizing the schedule with the GST, some items are exempt from the PST on that schedule—so we're working through it.

With respect to harmonizing the collection, whether it's business or corporate tax or whatever, we're fighting with the feds' inability to recognize what that transfer is on the mutual fund on capital gains. They don't seem to have it all figured out. We're not comfortable with their ability to administer for Ontario. We're net exporters of revenue, from this province to the federal government, and they seem to be less accountable for those expenditures. We want to be our brother's keeper as well in this—

The Chair: Question, please.

Mr O'Toole: My point is that the argument we hear on the expenditures on health care is that it used to be 50-50 federal-provincial; now it's 14 cents federal and the remainder is provincial. Why would we harmonize with an upper-tier government that takes the revenue, understands where the tax room is by our tax changes, whether it's corporate tax or capital tax reductions, and takes up that tax room?

Those are the problems, in a policy sense, that mean Ontario is 50% of the economy. Really, it's not just the area of Kitchener-Waterloo that exports money, as in your presentation. What is your response to harmonizing? Why should we, if we are not going to be advantaged in any way?

Mrs Korgemets: There are two harmonization issues. On the second one you spoke to, which is the federal-provincial collection agreement, I have done substantial reading. It's such a complex area that I'm probably not in a good position to answer the question in a meaningful way. I'll be very honest. What we don't want to see is a move away from it without some sort of informed discussion that people can participate in. It is a very complicated area. You're talking about equalization and how a lot of our revenue goes somewhere else, to provinces that aren't as—

Mr O'Toole: And we have no input.

Mrs Korgemets: So then the system has to change, but I don't think the solution is to move away from it altogether. I don't know how to make the federal government co-operate any more than you do, but I think if this came into the public arena and more pressure was put on it, we'd certainly take up the cause, and I'm sure the OCC would as well. I have never talked to the Canadian chamber about this, but I still think it's just very discouraging as a taxpayer and as a businessperson to see the governments scrapping with each other and getting further and further apart. It's not the right direction to go. I don't know how to bring them back closer.

Harmonization of sales tax and the fact that there would be more revenue raised is interesting to me. I

didn't know that was necessarily the result for Ontario: getting more revenue. Then the issue is that there are people who cannot afford to pay higher sales taxes because other services will be subject to this harmonized sales tax. But there are ways to deal with giving money back to people who cannot afford the levy in the first place, and we are very good at working out those types of programs. So I certainly don't think that is a reason for not going ahead with harmonization.

The costs to business of having only one sales tax form to fill out and one jurisdiction to deal with would be enormous. We can certainly deal with people who need compensation, who cannot pay the higher sales tax that they're levied with. That would be a less costly item to implement because we have things like that already in place.

Mr Kwinter: I want to join my colleagues in congratulating you on your presentation. It covers a wide range of the economic areas in the province and particularly, of course, the Kitchener-Waterloo area, which is really a showcase, not only in Ontario but in Canada, for what is happening. As I say, everybody involved in it, and the chamber, should be congratulated.

I always try to be as non-partisan as I can be, but I got a chuckle out of reading your comment about your wanting to get the debt-to-GDP ratio back to the level that it was in 1989-90, the last time the province had a surplus. We've been telling the government side for six years that in 1989-90 there was a surplus, and they continually refuse to accept it. They say, "No, it didn't happen." It doesn't matter whether the auditor says it, whether the chamber says it, they see it the way they do.

Having said that, I want to talk about the brownfields legislation. I'm a supporter of rehabilitating brownfield sites. I think it's great. But there are some very serious problems with it, and I just want to share with you my experience. When I was the chairman of the Toronto Harbour Commission, we had a refinery on the waterfront. A company came forward and wanted to rehabilitate the site, but could not get financing. Nobody would fund it. The banks wouldn't touch it because they said, "If we put a mortgage on this property and you default, we have to take ownership and we're left with the liability." I wonder if you've looked at that and what you would suggest as a way to get around that.

Mr Letts: There are provisions in the draft legislation that would limit the liability. However, when we've reviewed the proposed legislation, we have also identified that even what is in the legislation doesn't extend far enough. For example, as you probably know, if there is contaminated land in a certain parcel of land, there may also be contamination to an adjacent parcel. As part of our recommendations here, we recommend that the government take a look at the draft legislation and broaden the liability provision so that it also includes neighbouring properties as well.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

Mr Doherty: Thank you, Mr Chairman, and members of the committee.

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair: Our next presentation is from the Interfaith Social Assistance Reform Coalition. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

1210

Mr David Pfrimmer: My name is David Pfrimmer. I am the chairperson of the Interfaith Social Assistance Reform Coalition. With me is, to my far right, Linda Snyder, who is representing the Evangelical Lutheran Church in Canada; Susan Eagle, who is representing the United Church of Canada; and, on my immediate left, Greg DeGroot-Magetti, who's representing Citizens for Public Justice.

We've distributed our brief to you: I know you probably looked at it and said, "My gosh, we're going to be here all day." But we'll trust that you have a chance to read it. We've provided some background material to support some of the points we'll make and we'll let you look at those at your leisure. So hopefully we'll have a chance for some questions and discussion, and I think our initial opening remarks will be somewhat brief.

In appearing before this committee in previous years, ISARC has always maintained that our budget choices are profoundly moral choices. Your task is not only about balancing the books, but also about addressing the needs of people, particularly those people who are too easily forgotten and whose needs are being neglected. Poverty continues to be a scandal in this country of such abundance, but what is so profoundly troubling is that it is being so neglected as an issue by people in positions of leadership. In your recommendations, you have the possibility to make a statement and to offer a different direction. We are a province that needs a change of heart. It is our prayer that you may find in our few comments the means to help us remember our collective responsibility to those whose need is great and whose situation worsens day by day.

The following are the actions we believe will result in a provincial budget that will focus on the well-being of people, and not just on the well-being of balance sheets.

Rev Susan Eagle: ISARC believes that tax cuts are not in order when we have such a growing need to make the necessary social investments in our people. One third of Canadians know of someone who relies on a food bank, 78% of Canadians feel that hunger is quite serious and 68% believe governments have a responsibility for the solution. Citizens want governments to redress the suffering and misery of our neighbours.

Can I remind the committee of some of the income levels for people who are on Ontario Works in our province? If you're a single person on Ontario Works, you're getting \$520 maximum a month to live on, with a

shelter rate of \$325. I know average rents in London right now, for even a bachelor, are \$436. That's just to give you some idea of the struggle that people are engaged in to survive. ISARC again recommends that the government's budget be accompanied by a social forecast and, later, a social audit to tell Ontarians how the budgetary choices will affect low-income families and other vulnerable people.

Canada is the only developed country without a national affordable housing strategy. The voluntary sector has contributed many concrete proposals on how to address homelessness in this country. The federal government offers only a modest program to begin to look at providing affordable housing. We know that the private sector cannot be solely responsible for building enough affordable housing. Again, before someone suggests to me that cutting housing programs provincially causes the private sector to jump in and do their share, all our stats show us that, as the public dollars fell off for the building of affordable housing, so did the private dollars for building housing as well. That's well-charted and documented by all our analysts. ISARC recommends that the provincial government provide money for affordable social housing and put in place measures to ensure that the housing created remains affordable for the long term.

Ms Linda Snyder: Ontario Works benefit levels are inadequate to meet basic subsistence. Benefit levels do not cover the cost of shelters and municipal social services have raised the alarm that recipients cannot meet their basic nutritional needs. ISARC recommends that the government increase Ontario Works and Ontario disability support program payments, particularly the shelter allowance, to reflect the true cost of housing.

The ODSP application process must be changed and simplified to speed up access to the program. The lengthy application process leaves eligible, disabled Ontarians with no income supports for up to six weeks. Moreover, the application and appeals process is complex and confusing, meaning that many people who should be receiving Ontario disability support plan benefits are being denied. ISARC recommends that the government simplify and clarify the application and appeals process for ODSP, and that it require ODSP staff to help people in applying for ODSP.

The minimum wage has not been adjusted since 1995, although prices increased by about 10% between 1995 and 2001 and rental costs rose by more than twice that amount. Food banks have reported a rise in the number of working poor people turning to food banks. ISARC therefore recommends that the province raise the minimum wage to reflect increases in the cost of living.

Mr Greg DeGroot-Magetti: High-quality regulated child care is proven to benefit children's development and to improve the social, economic and emotional well-being of mothers. Since 1995, investments in child care have dropped by more than 16%—in nominal terms, from \$564 million to \$471 million, currently. Management Board Chair David Tsubouchi's order that all ministries cut their budgets by 5% means that the

Ministry of Community and Social Services would lose \$350 million. Such a dramatic budget cut, if implemented, endangers the viability of Ontario's social and community investments in child care, as well as other community support programs in Ontario Works and ODSP.

ISARC recommends that the province guarantee that child care spending not be cut, and that the province lay out plans to invest additional funds to meet the child care and early childhood development needs of Ontario families and their children.

Mr Pfrimmer: The moral imperative to invest in the well-being of people and of communities should be compelling enough to warrant implementing the recommendations ISARC is making.

Another practical reason, though, is that it costs more if we fail to invest in people. We've included in our brief some examples of where inadequate investments in housing and social and community services actually cost the province more money. I won't necessarily go into all of those. We would be happy to entertain your questions about them.

One question this committee and the current government must ask themselves is why they would choose to spend money on far more expensive programs, rather than make investments in the kinds of programs and services that are more cost-effective, and which would substantially improve the well-being of those who are most vulnerable, as well as strengthen the health of Ontario communities.

We look forward to the chance to discuss some of these issues with you. I want to thank you for this opportunity. Please be assured of our prayers and those of our communities for your work on our behalf.

I would also like to extend to you an invitation for April 10 at Queen's Park. Twice a year we host a religious leaders' forum, to which we invite all members of the provincial Parliament to come. This time we're focusing on the business of business—which is our business—around the role of corporate social responsibility, addressing issues of hunger, homelessness and poverty. The keynote speaker will be Mr Ed Broadbent. We hope that you can join us.

We look forward to your questions now.

The Chair: Thank you very much. We have three minutes per caucus.

Mr Galt: Thank you for your presentation. Compliments to you for expressing your concern for the less fortunate in our society. But I am rather disappointed in the direction that you're directing the blame. I belong to the United Church of Canada, and have for most of my life. I can't say I'm exactly embarrassed with it over the last six years, but I certainly have been very, very disappointed in their attitude and what has come from the pulpit.

From your presentation, it would appear that all the problems are with the government. As religious people, we have a role to play—not just the government—in looking after the less fortunate. If you want to use some

quotes, as you have in here, I think back to one that Christ said: "Give unto Caesar what is Caesar's." I don't remember seeing in the Bible that He blamed the government. He looked to people; He looked to the church to try and help the less fortunate. I suggest today that if He were to come back and be on Earth here, He wouldn't be throwing out the money-changers in our churches; He would be throwing out those in charge of mainline churches.

When I talk to churches with an ecumenical type of background, they're saying, "No, it's not government's responsibility. It's our responsibility as a church." My hat is off to those organizations that say, "It's our responsibility." My opinion, as humbly as I can express it, is that government has a role for a baseline of support for those who are less fortunate. After that, it's the church's responsibility, it's the responsibility of Doug Galt and society, of individuals, of service clubs to enhance that baseline to help those people.

I'm coming around to my question, and it relates to basically, why aren't churches stepping up to the plate rather than coming here to blame government, and why are you blaming government when you have such a golden opportunity to take the role that the church used to have?

1220

Mr Pfrimmer: Thank you for your question. I must say you're not talking to the same people I'm talking to. I think—and I don't want this to be just adversarial—that we have to understand first of all that government is about politics, and politics is about how we all make decisions together. Governments do in fact play a role. We're not saying it's all up to government, but governments have in fact walked away from their responsibilities on this score. If you don't want to take my saying that—by the way, we have also said this to members of the federal government as well, in terms of some of the issues there. But the United Nations, in reviewing Canada's performance under its compliance with the UN International Covenant on Economic, Social and Cultural Rights, gave us a poor mark and said in point of fact that we had done nothing as a country to address the vulnerable populations. In fact, they were scandalized by it and their report said so. So it's not just us saying these things and it's not just about one government, it's about all people in positions of leadership who are entrusted with a special responsibility.

Now, what are the churches doing? I would say that at the churches I see—we are seeing people who are burning out because of their voluntarism in Out of the Cold programs, food banks and other kinds of charitable services and emergency programs. This is going to be a serious problem. If you want to erode and corrupt the voluntary sector in general, and the faith communities in particular, this is the way to do it.

One study that shows the extent to which we're all failing was an OECD study. This is not a left-wing kind of group. They pointed out that in Canada, the net social expenditures—that's all public and private flows to

charitable or social purposes in the society—in fact declined by 1.5% since 1995 in Canada, in this province. In this regard, we are five points behind the United States, at 18% of our GDP; they're at 23%. There's a reason for it. I think part of the reason is the high volume of funds that are raised by private schools and for educational purposes. But we're 10 points behind the Europeans, and the Germans in particular, who are at 20% of their GDP. So we're failing in this regard.

I couldn't agree with you more that churches have a responsibility. Christian people and religious people from all communities believe that. But they are doing much, much more than I think they're given credit for by those in public office sometimes. I think we need to say that governments do have a responsibility to do this on all our behalves.

Mr Kwinter: Thank you very much for your presentation. It looks like a very comprehensive document. Unfortunately, it was handed to us just before you sat down, so I haven't had a chance to read through it. But one of the things I did notice is that you put forward the proposition that there were solutions to some of these problems that are more cost-effective than what is being done now. Could you give us an example so we can get into the record what you think is one fairly important area of where this could be done and how it can be done?

Mr Pfrimmer: Sure. I'd draw your attention to page 5 of the brief, and I'll just read from that paragraph. It's a fairly well-known study:

"Ontario could save \$570 million a year by providing comprehensive services to single mothers receiving social assistance. A McMaster University study reported the findings that sole-support parents and their children who are proactively offered a full area of social supports (including child care, recreation, skills training, employment counselling) are better off physically, emotionally and economically than those who are left to seek these services on their own. The extra cost to the Ministry of Community and Social Services of having caseworkers take the initiative to help social assistance recipients access a comprehensive range of services [was found to be] more than recovered in decreased health care costs, other social services and programs for child/youth behaviour disorders. Single parents offered a comprehensive range of services are also more likely to leave social assistance sooner."

So it's a relatively simple thing. It's just getting case-workers to direct social assistance recipients to the kinds of services that could really give them a hand up and improve their mental health and that of their children, and also find work. In the study that was done in Hamilton, they found significant cost savings. So we could spend money really helping people out; otherwise people end up in psychiatric facilities and hospitals, children running into trouble in school and with the law and things like that. That's the kind of recommendation we would see.

We also list a couple of other studies: the children's aid society is finding that more and more children are

taken into care, and lack of affordable housing is identified as one of the reasons for taking children into care and keeping them in care longer. Putting people in shelters is far more expensive than helping people stay in their housing. Providing a rent supplement or increasing the shelter allowance in social assistance, increasing the minimum wage, these kinds of things would really help people out and give them a better chance at well-being and active participation in the community and avoid a lot of other costs that would end up being paid for. It's partly a question of, do we have smart government and provide services well, or do we pay more costs and lose out on what people can contribute to the community?

Ms Snyder: If I could just add a little bit to Mr Degroot's answer and describe my own dissertation research that was looking at employment initiatives, work preparation programs for women. I looked at the program here in Waterloo region. We had a voluntary program in Waterloo region where single parents on social assistance were assisted to go back, upgrade their education and find careers where they could support their families and lift them out of poverty. What I found after the Ontario Works program came into place was that single mothers were pushed to find the shortest route to employment, which meant that single mothers in university programs and community college programs were forced to drop out and take jobs such as night shift work in local doughnut shops. As a consequence, they may be off social assistance but they're still living in poverty, and there are other costs there that aren't quantifiable in terms of repercussions for those children of mothers working night shifts in doughnut shops.

The Chair: Mr Christopherson.

Mr Christopherson: Thank you very much for your presentation. I want to underscore some of the member groups. It's quite impressive. The Anglicans are represented, Catholics, Hindus, the Salvation Army, the Quakers, the United Church has been mentioned, the Toronto Board of Rabbis, the Mennonites, the Evangelical Lutherans, the Islamic Foundation. Virtually every major faith organization is here. I've got to tell you, to listen to Dr Galt—I would almost like to send out to every faith leader in every community that Hansard that says, "You know, it's not government; it's your fault. You haven't done the job." This is the kind of thinking. At least we got some cold reality here. Usually we get a lot of rhetoric, a lot of spin. That's what we're up against: a whole attitude that government has all but no role in anything to do with the quality of life for people, especially those who are most easily forgotten, those who don't hire lobbyists and can't come in here and do PowerPoint presentations and hold schmoozing events where they can get to know us politicians. It's so outrageous.

I'll give you a difference, Doctor. You've provided no housing whatsoever since you've been in power, no social housing, affordable housing whatsoever. We provided 65,000.

Interjection.

Mr Christopherson: I listened to you. Why don't you try listening?

A lot of those houses were developed in partnerships with a lot of faith groups that came forward and said, "Yes, we're prepared to do our bit." Just yesterday we had an Anglican minister who came in and said, and here's a prime example of the role of the church and the role of government, "I had a woman with two children who was abandoned by her husband and who has been evicted from her apartment. She had absolutely nowhere to go. There was nowhere to turn." She went to that minister and he didn't know what to do, except he realized that this was the last place she could go. So he was going to do whatever he could, but he didn't hold out a whole lot of hope. What he needed was a government that cared enough to make sure there was affordable housing. So if you had to cut through bureaucracy and red tape, he could be the—

Interjection.

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Mr Christopherson: Just listen for a second. For a party that talks about having a family values caucus, where are your family values today? Where's all your compassion that you talk about today? These people came forward. The people who came forward from all the faith groups in our communities are doing everything they can, and you turn around and say to them that the leadership of all their churches—basically, you said they ought to be fired because they're not doing the job. Let me tell you there are very few people in this province who think the way you do. Unfortunately, you've got the power. If there was anything in there that needs to be pushed right across the whole province, it is that we're a province that needs a change of heart. I'll go you a step further: we're a province that needs a change of government.

The Chair: Go ahead. I'll give you a minute to reply.

Rev Eagle: Maybe there is one comment I could make, and thank you for your passion. We certainly feel passionate about the people we work with and walk with in the community. We do have an opportunity that perhaps some of you don't have, or don't make use of, to actually be out with the people in the community who are struggling to survive. I hope you will take the time to go and meet and talk with some of those folks. They can't come to you; you're quite right. They can't come to you because they're just not able, financially and sometimes even emotionally, to manage to be here to speak to you. But we have a growing number of people, and the documents show a growing gap between rich and poor in our province.

One of the things that ISARC is starting to do now is to document the number of faith organizations that are providing assistance to people, because we're finding that right across the sector we've got food banks, we've got people coming in for the benevolence fund, people needing clothing, needing rides, needing support etc. We think it will be quite a comprehensive document by the time we finish that and provide it to you.

We also see, though, that government is us, and therefore when you're saying that we need to do something, we're including you. We're including you as part of the solution and we're hoping that you are going to ante up on that and be part of the solution, because we really, truly have vulnerable people.

I'm a community worker in London as well as wearing a city hall hat and a United Church hat, so I get to see a lot of different scenarios of people struggling in the community. We had a housing project in 1995 for the Cambodian community in London that needed assistance. We already had allocation. We were practically ready to put a shovel in the ground, and that's one of the projects that got cancelled. I have since walked with many of those people as they have lost their housing, as they have gone through the shelter programs, as they have lost their children, as they have come out the other side and tried to put their families back together, and I can attest to not only the financial cost to them but also the emotional cost to them and to their children as a result of that.

The Chair: With that, I have to bring it to an end.

Rev Eagle: We're not here to bash so much as to say we'd really like you to take seriously the presentation that we're bringing to you.

Mr Chair, I know this is my last chance to talk so I would like to just ask one question, if I could, wearing my municipal council hat: at some point, are we going to get some understanding or explanation of why you changed the way in which allocation is done to municipalities so that we're now paying additional administrative costs for Ontario Works and ODSP? That was just sent out to municipalities in January. For London it's an additional \$800,000 that we're going to have to pay, after our budget has been set. I don't know what that cost is going to be for municipalities like Toronto. But we are hoping that at some point there will be some explanation offered to municipalities as to why that formula got changed and why we have additional costs.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon.

LONDON HOMELESS COALITION

LONDON INTERCOMMUNITY HEALTH CENTRE

The Chair: Our next presentation will be from the London Homeless Coalition and the London Inter-Community Health Centre. I would ask the presenters to please come forward and state their names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Wendy Stone: I'm Wendy Stone, here on behalf of the London Homeless Coalition.

Mr Thomas Appleyard: I'm Thomas Appleyard from the London InterCommunity Health Centre.

Ms Stone: First I need to say I'm not a person who is polished in the political realm. I appreciate the comments you made. The submission I have is very much in the

vernacular of the people, I think, so I apologize if it doesn't meet the standard that you see across the province. However, this is spoken from the heart and on behalf of the vulnerable.

I'm here with the coalition, a group that was formed in London approximately 18 months ago to address the emergency and long-term needs of people in the city who in increasing numbers found themselves homeless or on the brink of homelessness. Within this very short period of time it became obvious that it was necessary to prepare a community plan on homelessness.

The Chair: Excuse me. Mr O'Toole, could we conduct the conversation further at the back, please. Sorry for the interruption. Go ahead.

Ms Stone: Our community plan was put together recognizing that an action plan needed to be taken to address homelessness and housing issues within the city. The coalition on behalf of vulnerable persons is also represented on local, provincial and national groups that are committed to changing policies and having affordable housing put back on the agenda.

As a newcomer to London, I am pleased to be able to speak on behalf of the coalition. It's much less of an honour to have to speak on such a basic need as housing. I've had experience in northern regions of this province. I'm well familiar with a lot of regions of this province, so I'm aware that this is not just a local London reality, although this is what I will speak about today.

London is a city of approximately 325,000 people. It's graced with all the lovely trees, rivers and things you see there and all the amenities a city can offer. One wouldn't expect that beneath this well-maintained image of wealth and prosperity lies impoverishment, hunger and desperation. London, like many cities and areas across the province, is experiencing the reality of significantly increasing numbers of people struggling to remain housed or who over the past few years have become homeless.

The community plan has identified the grim and growing reality that more and more the basic needs of people are not being met. Homeless shelters reported a 22% increase in annual admissions and all shelters have reported that there is higher need than they're able to cope with. Just one of the many local community resource centres stated that demand for emergency food kits is 50% higher than their ability to provide, advice concerning evictions and other housing problems is 13% higher than they can cope with and family support requests are 33% higher than their capacity to deal with.

The Daily Bread Food Bank, one of a number of organizations offering food, gave assistance to over 10,000 households comprised of approximately 24,000 individuals; 10,000 of those going with shortages of food were children. Local food banks are reporting that they're serving about half the need they can address, and the list goes on and on. Though shocking, it's not surprising. The policies that have beset this province in the last few years are most obvious in creating this crisis.

The minimum wage has remained unchanged in this province, with the cost of living rising by about 10%.

Cuts to social assistance: incomes have fallen by 22%, with shelter allowances grossly inadequate to the real costs of remaining housed. Reforms to Ontario Works have left many ineligible for support, although there is need. Vacancy rates have fallen steadily across the province, with twice as many rental units converted to condos than have been built. Rents and evictions have continued to increase, aided in large part by the inception of the new and misnamed Tenant Protection Act. Social and support programs have been sacrificed while tax cuts continue to benefit corporate business and the wealthy. And the pinnacle of the problem, no doubt, is the cessation of any funding directed to any new social housing development. We now find in Ontario that we have a crisis in housing of unparalleled proportion that affects the lives of hundreds of thousands of men, women and children.

Poor people are at the greatest risk of becoming homeless. It is therefore reasonable to assume that there's a direct relationship between the proportion of low-income residents in a population and the proportion of those at risk of losing housing; 1996 data for London revealed that 21,600 unattached individuals and 14,800 families at that time were poor. The poverty rate for children five and under was 24%, and for children six to 17 it was 20%. You can see the listed numbers for immigrant populations, visible minorities, aboriginal populations and the disabled.

It's also a well-established fact that the gap between the income levels of homeowners and tenants has increased. There's a difference of about 1% a year, meaning that more and more renters are likely to have severe problems remaining housed. Between 1989 and 1999, figures show that rents for Londoners increased by 25%, while between 1992 and 1998 the income of renters decreased by 11%. This is in contrast to homeowners, whose incomes continue to rise.

There is a quote by a Canadian researcher that says there is "a social need for adequate and affordable housing," that tenants simply do not have enough income to be able to meet market demand and pay the rents and are more likely to have problems remaining housed until there is more housing at lower-level rents.

For the years 2000 and 2001, all rental units in London, regardless of size, showed increases above the provincial guidelines. A 4.5% increase was shown for both two- and three-bedroom units, obviously the size families need. Single-bedroom and bachelor suites rose 4.1% and 3.2%, respectively. The effects of poverty in London are made worse by rising rents and the halt in assisted housing.

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Compounding the problem even further are declining vacancy rates. Close to 2,000 rental units have been converted to condos in London since 1995, with the result that London has lost almost three times as much rental housing as has been built in that period, with a net loss of over 1,000 units. The CMHC rental market survey for the city of London for October 2001 reveals that vacancy

rates have dropped below 2% for the first time since 1987. From a respectable high of 6% in October 1996, they now read at 1.6%. In local terms, this translates to 628 vacant units in the entire city of London.

While they have declined, the wait-list for assisted housing has climbed from 771 applications in 1995 to over 3,000 this past October. Close to 2,000 of those applications have cited dependants. While housing wait-lists can offer clues as to need, there is a far less overt and harder to count group of homeless who are not on any wait-list; they've given up—I've seen this over and over again where I have worked—knowing there's just not enough housing and the wait-lists are too long. Individuals, families, youth and consumers of mental health services are bunking in with one another for lack of housing options. Couch-surfing goes on from a night-to-night basis in order to find a place to sleep.

Disputing the stereotypes of homeless people as comprised mainly of addicts, mental health patients and criminals needing assistance and rehabilitation and, worst of all, perhaps jails, families are the fastest-growing group of homeless. These families are simply without enough economic means to compete with market value rents. If these hidden homeless actually came out in full force and were visible, we would find that we had negative vacancy rates.

As economics is the argument for the failed responsibility of government to ensure adequate housing, it is only fitting that I speak to this issue, however briefly. It should be no surprise that, on a per capita basis, people who are homeless are high-volume users of health, social service and justice and corrections services. In London, services used by homeless people range, per individual, from an average of \$1,000 per month for basic shelter and hostel services to almost \$11,000 per month for those in need of psychiatric facilities. Again, there is a list of the costs per individual on a monthly basis in London for people who are homeless using services. Multiply this by the number of people not only in London but across the province and it becomes clear that this is an expensive response to the homeless problem.

The fact that homeless people are overrepresented in so many of the most expensive services and are the sole generators of the costs of other services should be a clear incentive for this government to reduce homelessness and deal effectively with existing homelessness. A comprehensive BC study shows that dealing with homelessness after the fact is far more expensive. It becomes a situation of pay now or pay more later.

Affordable housing does not need to be seen as a cost to this province, but rather as an investment that not only creates valuable assets, such as housing, but also generates economic activity, including jobs and tax revenues. Simply put, affordable housing makes economic sense.

The city of London, among 25 urban communities, shares the dubious distinction of being tied as second worst with Toronto in its core housing need. Needless to say, it's not a popular subject, something most Londoners don't know and something about which the city would

not wish to brag. However, the London Homeless Coalition itself is committed to making this problem known, committed to waking the sleeping populace at all levels of government and committed to pursuing for Londoners clause 25 of the United Nations Declaration of Human Rights, stating, "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services" etc. We heard in the last presentation Canada's report card from the UN.

As such, the London Homeless Coalition joins with other groups in recognizing the deliberate choices of the Ontario government to give priority to tax cuts instead of social programs. We join with others in recognizing that policies and decisions made to benefit the wealthy while reducing opportunities and services to vulnerable populations is morally and socially irresponsible.

We recognize that the government reliance on private sector landlords and developers to deliver housing that meets the needs of Ontarians is a failed experiment, with costs both in human and economic terms.

We recognize that there is an increased need for emergency shelter and service to homeless individuals and those who are at risk of becoming homeless, but that the only real solution to the problem is an investment into long-term and affordable housing. It solves many of the problems that are compounded over and over by the lack of housing.

The London Homeless Coalition, therefore, as a non-partisan group joins with our colleagues at the Housing and Homelessness Network in Ontario and the National Housing and Homelessness Network in demanding of this and any further government a commitment to renewed social spending and a renewal of provincial and federal housing programs.

Mr Appleyard: Health outreach for people who are homeless is a project of the London InterCommunity Health Centre, an active member of the London Homeless Coalition. The project is primarily funded through the community health branch of the Ministry of Health and Long-Term Care.

Our clients stay in shelters, they use Out of the Cold programs, stay with friends and family, sleep outside, sleep in vehicles or stay temporarily in cheap hotel rooms. Our ability to provide a wide range of services has in turn given us the ability to analyze the effect of poverty and homelessness on the health of this group of Londoners. We've seen the wounds on women beaten by their partners. We've seen the effects of poor nutrition on families choosing between food and rent. We've seen people collapse from exhaustion coming up against barriers to meeting needs. We've seen the effects of exposure to cold and heat on people's skin. We've seen people struggle with thoughts of suicide as they face their lives that so often seem to be without hope. We've heard stories of families being separated as parents have been unable to continue effective parenting during their housing crisis. We've joined in mourning when we've heard

the news that yet another of our clients has died. Through the Housing and Homelessness Network of Ontario, we have learned that similar stories are being told across this province in Hamilton, in Toronto, in North Bay, in Windsor, in Sarnia, in Parry Sound—and the list goes on.

We believe that the size and scope of the health project we work for is a public expenditure in a long list of public, private and charitable expenditures necessitated by the failed experiments of the federal and provincial governments that have led to the current crisis in affordable housing. This has become a province where access to decent, safe and affordable housing is virtually impossible. The crisis in affordable housing directly affects all of the 40% of people in Ontario who live in rental housing. The stories of people who are homeless are only some of these stories. They're the ones who have been, for varying lengths of time, pushed out of the rental housing market because of this crisis.

The Ontario Ministry of Finance in July 2000 estimated that the province's population is to increase by approximately 3.8 million people over the next 30 years. If renters remain at 40% of all households, this means 18,400 units of rental housing need to be created each year only to keep current levels of the housing squeeze. Over the last few years, the private rental housing market has created fewer than 2,000 units in Ontario and, as you've heard a couple of times now, these aren't even keeping pace with demolition: 1999 saw a net loss of 631 rental units.

The attempt at relying on the private market to create new rental housing has failed and it will continue to fail. Private developers have been clear that the creation of affordable rental housing is simply not profitable. The expenses associated with the creation of apartments have been estimated at as much as \$130,000 a unit. Covering the costs associated with this would be \$1,400 a month. Renters' income in 1999 averaged \$23,000 in Ontario, suggesting the average renter can afford to pay \$580 a month on rent if using the guideline of 30% of income on rent. This consultation heard from the fair rental housing association on Monday and they said they had absolutely no intention of building housing costing \$600 per month. If there were ever a place for government to step in, this is it.

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I'd like to talk for a moment about social housing. Dennis Culhane is a professor of social welfare policy who studied the New York shelter system. He studied families leaving shelter for housing to determine what made a difference in terms of whether they would return to shelter or not. He found some surprising things. He found that the presence of an addiction in a family leaving shelter did not make any difference, significantly, in whether they returned to shelter. He found that the presence of a mental illness in that family did not make a significant difference as to whether or not they returned to shelter. He found that the quality and the number of services that the family could access made absolutely no difference in whether that family ended up returning to

shelter. The only thing that made any difference was whether or not that family moved into subsidized social housing. For the families that did move into social housing, only 5% of those families ended up returning to shelter. For those who did not receive a subsidy, 40% returned to shelter. This is an American study, but certainly the staff of the InterCommunity Health Centre would be able to assure you that this is exactly what is happening in London, this game of people moving in and out of unaffordable and indecent housing.

Also, Mr Culhane's study raises important questions about funding priorities. Absolute homelessness was named as one of the reasons for changes to the Mental Health Act, increasing the possibility of people receiving psychiatric treatment against their will. Absolute homelessness was named as one of the reasons for requiring people receiving social assistance to receive addiction treatment.

Massive expenditures are being made for services for people who are homeless: outreach workers, housing advocates, shelters, soup kitchens, lawyers, physicians, social workers, drop-in centres, safe storage facilities, addiction treatment facilities, community mental health centres. Mr Culhane's study suggests that these will do absolutely nothing to address homelessness. Subsidized social housing makes a difference.

Newly elected Premier Mike Harris in 1995 cancelled 17,000 units of co-op and non-profit housing that had been approved for development. In the first three years in office, the Harris government cut over \$300 million, more than a quarter of the budget, from provincial social housing spending. In 1998, the costs of social housing were downloaded to municipalities. In four years, the government went from spending \$1.1 billion on social housing to spending nothing.

After doing the math across the province about more renters and fewer rental units, we need to ask where people are going. They are in the list I gave you before: they're packed into overcrowded shelters; they're on the streets; huge numbers are staying with friends; they're staying in vehicles or they're ending up in jail or in hospital.

In August 2001, the federal, provincial and territorial housing ministers met in London, where they were met with effective pressure from groups, including the National Housing and Homelessness Network and the London Homeless Coalition. The federal-provincial-territorial affordable housing framework was announced and signed a few months later. This was a commitment of the federal government to spend \$680 million over five years on new affordable rental housing, with matching dollars from provincial sources. We understand that Ontario and the federal government are currently negotiating this bilateral agreement of \$245 million each, which would fund about 10,000 units in Ontario. I'll remind you of the earlier number that said that 18,400 a year would be needed.

Ontario has so far only committed \$20 million. The province is instead looking to municipal, private or hous-

ing providers' matching dollars. While we agree that the federal government must provide leadership on this issue, Ontario must participate as a willing partner. The government of Quebec has set an example by setting \$105 million as their part of the agreement. By off-loading costs to housing providers with an equity component, we're concerned that co-op and non-profit providers will be prevented from participating, even though not-for-profit providers have built and successfully managed the bulk of affordable housing in Canada in the past 30 years. We strongly encourage finance budgetary processes to put funding for new social housing supply through this framework as an absolute priority.

In conclusion, we join with the inquest jury of the murder of Gillian Hadley in identifying the lack of affordable housing and insufficient social assistance as key areas where the provincial government must immediately act. We join with the United Nations in condemning the provincial government for breaches of international law.

We join with mayors across Ontario, who declared homelessness a national disaster and called for the development of a fully funded national affordable housing strategy for people of low, moderate and middle incomes. A fully funded strategy will cost Ontario approximately \$900 million. We urge you to push the federal government to act quickly on their role in this and for you to be ready at the table to address the current lack of affordable housing and the accompanying disaster of homelessness.

The current state is very dangerous for Ontario, but we also recognize that, with projected increased population and increased depth of poverty, things could get worse. Ontario remains the richest province in one of the richest countries in the world. These investments we call for today are significant but affordable. We urge you to act quickly. Thank you very much.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon. There won't be any time for questions as we've used all the time.

MOBILIZATION OF SOCIAL SERVICES

The Chair: Our next presentation will be from the Mobilization of Social Services. I would ask the presenters to please come forward; if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Michelle Windley: My name is Michelle Windley. I'm from Windley Eli, which is my own personal business, but I sit as a volunteer for the MOSS committee. With me today is Kathryn Dubicki. She is here on behalf of OASIS, which is one of the main organizations forming this group.

We're going to try to keep this brief because I'm heading out on vacation, so we'll keep it light. We're not here necessarily to ask you for money, which may make us a little bit different from other people who are here today. We are asking for the government to assist us with

some solutions and being a little bit creative in how some of the transfers of funds are being made to these organizations.

We'll start with telling you how we got where we are and then we'll conclude with what we're looking for from government in this organization.

The organization got together in 1998. I joined the organization as a volunteer because my expertise comes from WSIB claims management and funding management on behalf of employers in Ontario. My company goes out and assists for-profit companies in managing their WSIB costs effectively. A member of this group came to me and said, "We've had something happen. Is this right?" What happened was that the government, for a very extended period of time, put a cap on how quickly the WSIB could raise their premium rates to employers. In the late 1990s that cap was removed, and the focus of the WSIB was to balance their budget and get rid of their unfunded liability. I think most of you will be aware of those points.

In doing so, a target was set for taking the unfunded liability and retiring it. I think initially we were looking at 2014, but I believe that moved along and they may be ahead of their target at this point in time.

When that happened, the not-for-profit groups that we represent, which is about 380 agencies, were encased in two rate groups which were optional coverage. The rates were about \$1.40 per \$100 of payroll. It was a reasonable method by which they could safely cover their employees. The employees of these agencies tend to be put in relatively high-risk situations based on the people they are out there servicing. The groups are dealing with people with mental and physical disabilities, with our youth who are under care, under protection. They tend to be a relatively high-risk group. So a lot of the agencies opted into WSIB coverage because it was an affordable method of covering their employees.

When the cap came off, there was an absolutely dramatic increase in the premiums for these agencies. We also know that funding at that point in time, in about 1998, was relatively static from the government. All of a sudden an additional \$14 million was required to pay the WSIB fees, but there wasn't an additional \$14 million coming out of funding to offset the expense to these agencies.

At the same time, the WSIB put into place a program or a departure fee that said, "If you opt out of WSIB because you can't afford it or because you don't want it any longer, you have to opt out and fully pay what we think is your share of what's owing to the board." So we have a whole group of agencies that can't afford the premiums or the new premiums from the WSIB and, at the same time, they can't afford to pay the departure fee. So it was a Catch-22.

The group got together and the first place we went, and I want you to be aware of this, was to the WSIB and said, "What can we do? Here's the situation, here are the groups, here's what we need done." The board has been very receptive to this group and has put some things in

place to assist us. But some of the things they've put into place are very short-term or temporary solutions. They're still actively working with us. They realize we are going to the government and saying, "How can you help us? How can we resolve this issue?" We're very aware that it's something that can be resolved, I think, in a very positive manner for everyone. We understand the board's criteria for funding and, at the same time, we understand the government's position with funding, but we think somewhere in between, there is a positive solution.

1300

So far, the WSIB has given us some breaks on our rates. They've included it in incentive programs for increased safety in the workplace. All of the agencies I've dealt with throughout this project are very tuned in to increased safety in their workplace. The difficulty with that is that with safety comes money. That's not my theory; that's actually the board's theory. The board put in experience-rating programs years ago to recognize the cost of safety in a workplace and to reward companies who put safety first. When we were in our Catch-22, the board was saying to us, "We need you to improve your safety. If you improve your safety, your claims costs go down, your rate will go down." I think it's a fantastic concept. The problem is, how do we do that? Where do we get the money to do the improved safety?

We came up with some programs and we worked with the board and they supplied people and we did get the rates reduced. Right now, the board has in place a moratorium on collecting any outstanding debt from these rate groups. So all the money owing for departure fees or for unpaid premiums at this time is on hold.

About a year and a half ago, we ran into some difficulties because the WSIB has the right to seize the assets of the 380 charitable organizations and, in fact, a notice or a writ of seizure had gone out to one of these agencies during the course of this process. Fortunately, the people we're in contact with made sure that the situation was rectified, but it's only, once again, a temporary solution, because the debt is still there to the WSIB.

We're here today to basically say that we're looking for advice and we're looking for assistance, but we have a couple of ideas as to how some of that assistance or how these agencies can generate the funding they need to pay their premiums, without necessarily extra funding from the government. I'd like to quickly touch on those.

Inside the handout that we gave to you today is a thing called a tool kit for social services. This was put together by members of the group. One of the issues for them is that right now, when you're funding a social service agency, there are a lot of stipulations as to how that money can be used within that organization. There are some difficulties that go with the rules and regulations that govern that. On one side, I recognize the need of government to make sure that money is effectively being used and it's being used for the purpose for which it was intended. At the same time, the agencies that I've been directly involved with through sitting on boards and other

things do a fantastic job in managing their money. When they do a really good job of managing their money, what happens at the end of the year is the money, or the surplus, goes back. So we're doing a great job, we've come up with ways to save money internally and everything's going great, we've saved money, and it goes back to you. So they can't use those funds to offset things like the increase in WSIB premiums.

Our tool kit talks about things like that. Interest rates are phenomenally low to purchase a property right now versus paying rent on a regular basis. So if we purchase a property, the asset becomes the property of the organization, which in essence becomes the property of the government, really. But you also see an end to the cycle of constantly paying rent. Bank interest rates are lower than vehicle leasing rates. Dollars saved by purchasing can be re-flowed and readdressed and can take away some of the human resources pressures we're feeling. If an agency closes, the property becomes the government's; it doesn't go anywhere else. Expense depreciation allows for the replacement of a reserve fund for capital replacement. There are quite a few things listed here. That request is asking for a lot of flexibility from the government. We also believe that can successfully be done.

There's one other method in which we can reduce some of the rates and take the pressure off these agencies, and that's to go back to the WSIB—and I guess it's with the government's blessing—and say that maybe in the circumstances of these particular rate groups, we don't need to retire their portion of the unfunded liability by 2014. Maybe we can amortize their debt over a longer period of time, thus reducing what their premiums are.

When I started, I said to you that this was an optional coverage area for agencies. Right now, based on the numbers that I have, \$20 million went directly from the agencies to the WSIB in the year 2000. A number of agencies do not have coverage. I'm going to estimate—and maybe Kathryn can help me—maybe 50%?

Ms Kathryn Dubicki: It's around 50% at this time because of the opting-out policy that was available.

Ms Windley: About 50% of the agencies don't have coverage. As we sit before this committee, the WSIB also has a committee out there reviewing who and what should be covered in the province of Ontario. Having had numerous meetings with Ian Welton on behalf of this group, I know that the WSIB's mandate right now is to expand the coverage in Ontario. The exceptions will be a lot fewer than what are currently experienced in this province. If that happens, then we're looking at a flow of about \$40 million directly from the government to the WSIB. None of this money supports programs. It does protect the workers, which is a great thing, but it does not support the programs these agencies are running.

That's basically where we're at. We're looking to negotiate and have some assistance from government in giving us some flexibility—and I say "us" as a royal statement—in how we manage our agencies and how we use our funding, and allowing us to be a little bit more

creative, saving the government money and, at the same time, helping organizations that are represented by MOSS to pay things and to deal with adjustments in things like WSIB premiums. So every time there's a change out there or a new expense, they don't have to run back to you to say, "OK, there's a new expense. We need more money." Let us deal with the money that we're getting and use it effectively.

The Chair: Thank you very much. We have two minutes per caucus.

Mr Kwinter: Thank you very much for your presentation. I have been sitting here listening, and I'm trying to figure out what it is that you want us to do. You are obviously having problems with the various agencies that fund you. I assume most of it's coming out of community and social services.

Ms Windley: And corrections.

Mr Kwinter: They have guidelines that say, "Here are the things you can do and here are the things you can't do. Here are the things we're going to pay and these are the things we're not going to pay." You want some of those things changed and adjusted. This committee does not micromanage that ministry. It's very difficult to try to comprehend. I understand your problem. I'm just saying it's very difficult for us to make recommendations that, in effect, as I say, micromanage the ministry. That's where I have some difficulty.

I think you've done a great job in dealing with the WSIB and in trying to get them to make accommodations and to take into account the difficulties that you're facing. I commend you for that and I commend you for your activities, and I wish you luck. I just find some difficulty in coming to terms as to what recommendations we can make, other than a general one that all agencies should take a look at their client groups to make sure they're dealing with them fairly and equitably.

Ms Dubicki: I think it's more around the basis of business practices globally, in terms of business practices for agencies that receive funding from governments. Most of the items we've listed here in the tool kit are good business practices that any private industry out there would be following as a way to increase their profits and increase their dividends to their shareholders. What we're asking is that these sorts of tools be allowed to non-profit agencies as well. We're finding that these sorts of restrictions are global across funded agencies. They're a financial aspect, and they're just good business practices that we want to try to get for ourselves, as transfer payment agencies.

Mr Christopherson: I concur with Mr Kwinter's comments about how it's difficult for us to deal with small matters here. The only suggestion I really have for you—and the best you could hope for today, to be very blunt—is that maybe one of the government backbenchers might be prepared to take this issue on, do some work and get back to you and give you a sense of where you can go. I guess my question to you would be, what's going to happen if you don't get this resolved? Where are you in six months, one year? Where does that leave you?

Ms Windley: It leaves us sort of where we are right now, which is in a holding pattern. It's complex in that the WSIB can't sit forever with the debt and just leave it out there. They're a business; they have business practices. So they've got all this money in a holding pattern that they're not collecting from external agencies.

A worst-case scenario, if we don't come up with a solution or we don't come up with a funding solution or a new deal with the WSIB, is if the board wishes to exercise their right, they would close agencies basically by asking the agencies to divvy up the money that's owed. I don't think the intent of the board—it certainly hasn't been in my discussions, so I'm not going to pretend it has been—is to do that. It's bad PR and they know it, so they're not going to go running out there and start closing social service agencies. At the same time, it's hanging out there. These debts are still the responsibility of the agencies that hold them. It's an area that I think there are simplistic answers for. We just need to get to them.

Getting back to the question of why are we here—well, I guess we got an audience, didn't we? In really simple terms, we just informed a group of you what the issue is and, because it is a politically motivated issue, it certainly doesn't hurt us that you hear it. So we're here. We're going any place we can to have someone listen. Once again, I've spent four years on this committee. It is volunteer time for me. I think it can be resolved, and I'd like to see it resolved.

Mr Christopherson: I wish you luck.

Mr Hardeman: Thank you very much for your presentation. I agree with the members opposite that the actual issue with the WSIB is something that's going to have to be solved internally with the association and with the WSIB, and I would hope that it can be resolved. As you explained it, it's very much going to be government money in both cases, regardless of how they do it. It would seem to me to pay it out directly would make more sense than to go through the foreclosure process and then pay for it. It just doesn't make any sense that we wouldn't come up with a solution to it. I just have one question on that. On the opting out, what happens for coverage, what happens for the protection of the workers we're opting out on?

Before we go to that, I wanted to touch a little bit and have a question on the other one—and maybe it's the same topic. It's the question on opening up the envelope for better business practices, for purchasing instead of leasing, which is a better business deal. How would you suggest that we put some type of control in, that it isn't just sending money to social agencies and they can spend it any way they like, as opposed to providing services?

Ms Windley: We can answer that.

Ms Dubicki: What's generally happened in the past, if we've been able to make a specific deal to do those sorts of things, is that the ministry and the government have been named in deeds as part owner. Should any property be sold, they're listed on that deed so they need their

approval to go ahead with that. That's protection that has always been provided in the past.

Ms Windley: Even though you allow some latitude, that doesn't reduce the level of reporting to government that's required. I've looked at the reports they send in. The detail in the financial statements that go in to social services or corrections or whoever is looking at it, that level of communication and open-book policy doesn't necessarily have to change. It's a matter of just giving some latitude with respect to where the money goes and how it gets there.

You're right, and I'm glad you made that point. It is just money going from government to government. We're not talking about an issue involved in us spending it. It's a direct transition, going back and forth.

The Chair: With that, I would like to thank you on behalf of the committee, and may you have a nice holiday.

This committee will recess until 2:45. Lunch will be served upstairs.

The committee recessed from 1314 to 1425.

TOGETHER IN EDUCATION

The Chair: Good afternoon, everyone. We're going to start a little bit early. I appreciate the co-operation from the group Together in Education, who are willing to present a bit earlier. On behalf of the committee, welcome, and please state your name for the record. You have 20 minutes for your presentation this afternoon.

Ms Patricia Cannon: Good afternoon. My name is Patricia Cannon and I am the president of the Ontario English Catholic Teachers' Association of Waterloo and chair of the group called Together in Education. This is an all-affiliate group representing 5,500 teachers, including elementary, secondary and occasional, both public and Catholic, in this region. My associate is Warren Grafton, CEO, elementary, and special education teacher of the blind.

We have grave concerns about the funding for education on many fronts, as some of my colleagues will have pointed out today. These include: a general lack of money to appropriately address the cost of support staff necessary to run schools; schools are deteriorating for lack of custodial care; students' and teachers' needs are not being addressed for lack of sufficient secretarial help; and many students are not being reached because there are not enough educational assistants hired to meet their requirements. Then, there is a great general underfunding that forces boards to have half-time, twinned and teaching principals, which puts a huge strain on staff and students in their schools.

Insufficient and out-of-date textbooks: you'll hear a great deal about this in a presentation to come a little later. With the massive changes to the curriculum over the last several years, schools have had to make huge purchases of texts to meet those changes. Budgets at the school level simply do not include enough money to cover books in all areas, if indeed a text actually exists

for the courses listed. Many classes are sharing old, shabby texts and in many cases teachers are photocopying part of the books, just to give the necessary information to the students. This in itself is a problem because there is not enough money to cover the photocopying.

The high cost versus the questionable value of the testing programs taking place in the province is also a concern. The dollars spent on the bureaucracy to develop, monitor, mark, evaluate, report and maintain these tests for grades 3, 6, 9 and 10 could be much better spent if applied directly to classroom expenditures so that additional resources, both human and material, could be utilized in the schools.

There is a lack of funds to continue programs in the arts and specialty areas. Boards can no longer fund special outdoor environmental classes and there are no longer any board-run conservation area or farm classes. Guidance, music and art teachers in elementary schools are almost non-existent.

As local affiliate presidents, we were all fortunate enough to be given time today to speak, so I'm not going to review these things in any greater detail. But we do want to concentrate on a couple of other areas. One of our main concerns is special education. Warren Grafton will give an overview of the problems we see in this area and how monies could be more effectively managed to get the best return for students in the classroom.

1430

Mr Warren Grafton: My name is Warren Grafton and I am an itinerant teacher of the blind and visually impaired with the Waterloo separate school board. I won't stick strictly to the document you have in front of you, but I do want to address some of the issues in it.

Special education per-pupil funding: the government has increased the expectations of parents around special education students within the province and within our system. In doing so, the government has put pressure on school boards to provide services to all students who have any needs, whether those students meet the criteria for the individual support amount or not. Right now, the SEPPA funds do not meet the necessary level of funding to meet the needs of students who are not ISA-supported.

The ISA funding in itself is also very problematic. The ISA funding is problematic in a couple of areas and one is in dollar value. The ISA funding is set at \$26,000 for ISA 3. That \$26,000 is based on 1996 dollar values. This is 2002. If only with inflation at 2% over that time period, the ISA funding for ISA 3 levels should now be \$29,280 per student. But that dollar value recognizes the costs only of educational assistants. It does not recognize the cost of speech and language pathologists, behaviour consultants, itinerant teachers such as myself, psychologists or those other people needed to document the ISA process. The personnel in those areas are remunerated at a higher level and thus, with \$26,000, are not covered in that. I'll get into the dollar value a little more in a couple of minutes.

The other problem is that ISA funding is not live; it's not real time. Currently, the Waterloo separate board has 119 students who have recognized ISA claims, but since the ISA funding is frozen at the 2000 level, we don't have funding for those 119 students. In our board there are approximately 300 students who are ISA-claimable. But that doesn't allow for several students within our board who are new to the board or in the early years or just in the process of being identified. Just being in this process, they are also in need of support. We cannot leave these kids in regular classrooms without support. I am suggesting that the government and the finance ministry look at creating a temporary claim for ISA, a probationary claim in which those students who are in the process of being documented can receive funding on a probationary basis until the ISA documentation is done.

The documentation in and of itself is very problematic. As a teacher of the blind and visually impaired, the documentation for my students is, generally speaking, straightforward. I'll go through a little bit of what it takes to document my students. If I have a student who comes into my system and the optometry reports indicate that this child is legally blind, the first thing that happens is the special education teacher will give me a call and ask me to come out and do an assessment on that child. I go out to the school and do an assessment. That assessment may take two or three visits because I have to go in and assess the level of visual functioning for that student, I have to look at their classroom situation and observe what they're doing in the classroom and then I have to go back and do a media assessment, ie, is this student going to be a verbal user, a print user or possibly a Braille user?

If my assessment of the student indicates there's a possibility they may be a Braille user, I then have to go back and call the provincial school and have a representative, a resource teacher from the provincial school, come out to the school and do an assessment for media in terms of Braille or print. Once that is done, I then have to proceed to get the required equipment if the student is a Braille user. That means I have to do an ISA 1 claim, an individual support amount for equipment. To do that, I have to then call another person from the provincial school to deal with equipment assessment. I get the equipment assessment done and then I have to proceed to do the purchase orders etc in order to get the equipment into the school and in place.

All told, on average, to do a claim for a Braille-using student who's new coming into the system, it will take approximately 40 hours of my time—one week of my time for one student simply to document the need. Right now, I have four low-vision students I am assessing for equipment, and it's simply an equipment assessment; it is not assessing any other needs within the classroom. Each one of those students has taken 20 hours of my time for equipment assessments alone, and I am only halfway through that process.

If we look at that in terms of dollar value, using the government's own figures back from 1996, at a teacher cost of \$56,000 per year and assuming a 40-hour week,

to do one assessment costs about \$2,886. That's a pretty basic assessment; vision is a fairly straightforward assessment. Behaviour, learning disabilities, other assessments and profiles require a great deal more time, some of them up to 80 hours to assess one student. If one assumes that a board has 300 ISA students who need claims, and one has to document those claims, then assuming the maximum of 80 hours, it would cost up to \$865,000 for my board to assess its ISA claims in any one year. That's 15.5 years of educational time, 15.5 people who are not in the classroom and are not supporting children. The ISA process, in terms of documentation, is very problematic. If one goes back and says that 80 is the maximum—80 is probably what the average behaviour student requires; a vision student may require 40, so let's look at an average of 60 hours for assessment. Then it drops to 11.6 years of personnel time, or \$649,000 per year, just to support an ISA claim.

In our board, we have fewer than 100 special education and itinerant personnel. That means that over 20% of the staff in our board are currently involved in simply doing the paperwork to support ISA claims—20%. Two of every 10 special education teachers may never provide program for those students. All they are doing is assessing and writing reports. That does not include doing individual education plans, transition plans, report cards, programming or lesson plans. If one looks at the documentation needed to do that, clearly 50% or more of the staff in special education is involved in paperwork, paperwork that is a waste of time and money when you have increased the expectation of the parents to provide programming for their children, programming that they have every right to expect, programming that they have every right to expect this government to fund.

This ISA process, this special education process that has been developed in the last few years by this government, has turned special education into a numbers game. I'll make it very clear to you: we can play it. If you want to play it, we'll play it, and we're getting better at it. Back in year 2000, this board had 60% approval of their ISA claims. This year we put 120 new claims forward, and 119 of them were approved. If you want to play a numbers game, we'll do it. We'll do it at a cost to the student, because that's what it's going to cost. It's going to take personnel out of the classroom and out of delivering program to students.

I'm very passionate about this. The children I serve need my support in the classroom. They do not need me sitting in an office doing paperwork.

Ms Cannon: Some of our other concerns deal with other areas in the classroom.

Pupil-teacher ratios are a big concern. The current 24.5 for elementary and 21 or 22 for secondary does not reflect the needs of students in many areas. In elementary schools, this ratio comes about by averaging all classes in the school, and then all schools in the board. It does not address the problems that exist when a JK class could have as many as 29 children in it in one school, and a grade 8 class could have as few as 22 in another. In some

schools, to keep the primary classes down to a reasonable size, say around 20, the upper classes must then have 31 to 32 in order to average it out. In secondary, there are many classes over 30, and some classes with over 35 students assigned, all in order to support some of the very unique classes that can only run with eight to 10.

1440

The matter of space in an early years classroom is another major problem. With the larger numbers that are in many of our JK classrooms, there is frequently not enough space for them to play and do the exploring of materials and activities. Simply getting such a large group of three- or four-year-olds dressed for winter outside play would take a greater part of the day. Supervising that many young children alone is a health and safety risk as well, yet many teachers are struggling to make it work, often to the detriment of their own health.

Funding should reflect appropriate levels of staffing for different grade levels rather than being lumped together in an aggregate average. I've included a suggested class size guide for caps on these grades: 18 would be an acceptable limit for a JK classroom; the primary grades, 20; junior intermediates, 23. In high school, the senior grades 9 to 12 in academic could probably support 30; the applied classes, 25; and a number of the senior classes that require special needs would be in the area of 16. If staffing were funded at this ratio, students' needs would have a greater chance of being met and their progress enhanced through more individual attention. This would indeed meet the goal of putting students first and improving student progress.

There are budget inadequacies. Many things can no longer be provided to students in the school system because of insufficient monies to school budgets. Many parents are getting long lists of supplies that must be purchased every year, everything from pencils and notebooks to calculators. Some also ask for fees to cover special art classes because supplies for the projects are too costly for the school to provide.

According to People for Education's 2001 tracking report, 75% of secondary schools are charging fees for labs and classroom materials, things such as special programs, workbooks and photocopying of texts. Ms Ecker has declared that it is illegal to charge these fees for core areas of program. In reality, there is no money to fund these areas out there on their own. So what would you have us do? Just what bus would you decide not to run in order to fund those costs? What class doesn't get the phys ed they need? The list goes on and on. There is simply not enough money provided in the current funding model to cover the current curriculum or the resources, both human and material, that we need to make a school run well.

Two-tier funding is developing. One of our greatest concerns is that when costs are downloaded on to the students and their families, you start to develop a two-tier system in the schools: those who have no trouble covering the extra costs and those who will never be able to do so. It also shows clearly in the ability of a school to

have successful fundraising endeavours. A school community in a higher socio-economic subdivision will most likely be able to raise far more money through a fundraising activity. Poorer inner-city-type schools tend to remain so, as their efforts to raise money are hampered by lower incomes and more working parents with less time to get involved. So even the fundraising is not a successful answer. Education should have universal accessibility for all, but it's not happening. The continued disparity is growing daily.

Many teachers are supplementing their classrooms to the tune of millions of dollars across the province, the average teacher spending just under \$600 per year, as shown in a recent survey done by ETFO. Their report cited a total of \$65 million being spent by teachers in the province. This is up from about two years ago, when it was reported in a survey prepared for OECTA that the average was around \$500 a year. Teachers are buying everything from classroom library books to pencils, notebooks, arts and craft supplies, stickers, rewards, games, toys etc, even clothes and food for some of their students. They have not only become major supporters of the education system through these donations; they are also filling in for the welfare funding and counselling as well.

Why are we expecting the very ones who are delivering the service, teachers doing teaching, to actually pay for the supplies to offer it? We don't expect a doctor to purchase the instruments and bandages and technology to actually carry out an operation they're going to do on you, you don't expect an employee to bring in materials to the factory and add to a product line in a manufacturing company, yet teachers have subsidized education for years. The government, recognizing this particularly generous trait, has allowed it to continue by refusing to fund actual real needs in the schools. Teachers have always enjoyed providing extras, special things for their classes, but you can see from the above list that many of these materials are things that should have been provided by the system itself, and therefore funded by the government.

Money better spent: recertification for teachers in its present form is an extremely costly way to keep track of the professional development of teachers, in more ways than one. Covering mandatory-type areas could best be handled by restoring the five PA days that were removed from schools a few years ago. Financially, a huge, costly bureaucracy has to be set up to provide, monitor and track all the courses that teachers are now required to take over each five-year period. As you are no doubt aware, studies have shown that in any given year, over 90% of teachers are involved in some type of professional development. They direct their own learning and take courses that are pertinent to their needs at that particular point in their career.

A simple requirement would be for teachers to record the PD they have completed over a year and submit that list to their local board for verification. This would satisfy the need for accountability, would allow for self-directed development to occur, and would be extremely

cost-effective. It would also be supported by the international research done by the Ontario College of Teachers in 1999. Think of all the money that could be saved by not hiring all that extra staff for the college that would no longer be necessary. Think of the money that would be better spent in the classrooms in our schools.

I'm sure the Ministry of Education has also heard from many sources that the government's plan to do performance appraisals on a three-year cycle is simply undoable. Current administrative staff would have to spend all their time doing just these appraisals to accomplish the schedule set by the government. Several alternative plans were submitted that outlined five-year cycles that were more reasonable in their expectation. Monies that would have been spent on additional administration for the appraisal tasks could then be assigned to schools, ensuring that each publicly funded school had a full-time principal to take care of the needs of the school, a full-time custodian to keep it clean and safe, and a full-time secretary to keep it organized and running smoothly.

Education—a funding crisis: it is truly time to realize that education funding is in crisis, not the false crisis that Mr Harris had declared education was in when he took over. In the inaugural address from our chair of the board, Diane Moser outlined the situation for the Waterloo Catholic District School Board: "From 1994-1997 we lost \$17.5 million in funding. Since then we have received back only \$12.9 million. ... During that same time our enrolment has risen by 7%, meaning we're expected to do much more, with much less." She continued by pointing out that transportation costs are rapidly rising, yet funding levels are now lower than they were in 1991. No increases have been given to cover real inflationary costs. No additional funds have come from the government to cover these real costs. It is clear that board costs and government funding are truly out of sync.

Another frustration for all boards is the lack of knowledge about what the funding levels will be for subsequent years, leaving them in the untenable position of trying to negotiate collective agreements with their employees with no understanding of how much money they will have to pay for appropriately negotiated settlements.

Warren pointed out earlier that the Waterloo Catholic District School Board spends far more, to the tune of about \$1 million, in special ed over what is funded through the government funding model. The Waterloo Region District School Board spends about \$3 million more. These children are in our classes and are in need of the support, yet the funding in no way reflects those actual needs identified in this area.

Throughout our presentations today, each president has pointed out a variety of areas where more appropriate spending is necessary, as well as where large amounts of money could be better spent. We hope the recommendations listed at the end of this presentation will be acted upon. Teachers and all educational workers have been supporting this system for a long time, and we are tired

of being vilified for bringing these legitimate concerns to the public eye.

The Chair: I would ask you to wrap it up in a minute, as you are four minutes over time already. Thank you.

Ms Cannon: I think it is very important to let you know that it is only through the exemplary efforts of the educational staff that you currently have and their dedication to the children in their care that any of your educational reforms are taking place. In spite of the constant changes that have plagued the system, the lack of appropriate funding in all areas and the continued attacks on the professionalism of teachers, your educational employees try to make this faulty system function because they care about their kids and they basically don't want anything that they are involved with to fail. Because of this, Together in Education would like to make the following recommendations to the committee. They're outlined on the last page. I sincerely hope that you will take them to heart.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon.

1450

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 24

The Chair: Our next presentation will be from the Ontario Secondary School Teachers' Federation, District 24. I would ask the presenters to please come forward and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr John Ryrie: Thank you very much. We appreciate this opportunity.

My name is John Ryrie. I am currently district President of the Ontario Secondary School Teachers' Federation, District 24—Waterloo. I represent approximately 1,300 teachers, 500 support staff and 25 speech-language pathologists, attendance counsellors, social workers and behaviour consultants. Sharing this presentation today with me is Dayle Whittaker, who is head of the science department at Bluevale Collegiate in Waterloo.

Let me get right to it. Mr Ernie Eves recently indicated that as a measure to address the chronic and debilitating textbook shortage in Ontario's schools, he is prepared, if selected leader, to put \$68 million into textbooks. This sounds like a lot of money, but there are two million students in Ontario's elementary and secondary schools. This means Mr Eves is prepared to provide \$34 for each Ontario student for badly needed new textbooks.

This grade 11 math textbook that I have in my hand costs \$60. This grade 9 English text I have in my hand costs \$38.50 and the companion book that goes with it costs \$25. This grade 11 science textbook this year costs \$65 but next year will cost \$82. And so it goes for the 16 subjects grade 9 and 10 students take and the average of 7.5 credits per year that all high school students take. So this means that Mr Eves is either prepared to buy half a

textbook for grade 11 science students and ignore all the other subjects and all the other grades, or he is prepared to put \$4.25 toward the purchase of a textbook for each grade 9 subject and ignore all the other grades, or he is prepared to purchase maybe one thirtieth of a textbook for each secondary student who needs 30 credits to graduate from high school. Thirty-four dollars spread out over 30 credits is \$1.13 per credit. From virtually any vantage point, except perhaps that of being a beggar, \$1.13 is no solution to the textbook woes that beleaguer our high schools and our elementary schools. In a sense, Mr Eves appears to be saying to Ontario's young people, "Here's a cup of hot chocolate, and have a nice day."

Dayle will further elaborate on the textbook issue in a few minutes, but it's a good place to start. What's wrong with the textbook funding to us highlights what is wrong in general.

From an educational point of view, the present government has got the funding of education backwards and appears to have done so since 1995. Since 1995, the philosophy has been: if we cut, schools and boards will become efficient; if we cut more, they will achieve even greater efficiencies; if we cut more, everyone will adjust to impoverishment and find a way to cope; and if we cut even more, everyone will either recognize what a privilege public education is and fully commit themselves to the skeleton that is left, or they will go elsewhere and stop being a burden on the public purse. It's at this point you hear echoes of the Victorian period and Dickens: "Are there no poorhouses? Are there no prisons? Are there no private schools?"

This approach, to us, has been illogical and counter-productive from the word go. The overall consequence—and you've heard it repeatedly this week, because I was listening this morning—has been that boards have compromised on their spending on computers, behaviour consultants, secretaries, custodians, repairs and maintenance, and on and on it goes. Even the cabinet notes last fall recognized that school boards need \$6.8 billion over the next five years to essentially prevent them from falling down, and 20,000 students are now on waiting lists for special education support that they need but can't get, which Warren highlighted in the previous presentation.

Yes, boards have scrimped on textbooks. Our board, like many, has taken the position that you can't maintain the quality of your schools by trashing your front-line employees. It's a little bit like owning an old car: sometimes you can limp along for a few more months or years with what you've got and put off purchasing a proper replacement. It's a matter of priorities and putting people ahead of things and getting by, but eventually you can't put off the crisis.

To tell you the truth, I don't think it's any good for you to say that school boards have made a choice, as we've heard repeatedly, in choosing not to spend all of their allotted funds for textbooks on textbooks. They don't have a choice when they have to bus students and the funding model doesn't provide, and they don't have a

choice when they have to pay for heating and electricity and the funding isn't enough. Their hard costs don't disappear. To give you a concrete feeling for this, I found out yesterday that as of January this year, two months ago, when our board renewed its contract for heating, its heating costs have tripled. The funding model doesn't take that into account. So what we need is a restoration of the removed funding.

Let me try to put it this way. In the last few months we have heard repeatedly—I think we even heard this morning—that Ontario is spending almost \$14 billion on its schools and the province has never spent more money on education. Mr Eves has said this. Janet Ecker and her aide Scott Brownrigg have said this. You can see the reference on page 15. This is nonsense. I have here a copy of the document put out by the present government in 1995. Seven years ago, this document said, on page 11, "Ontario spends \$14 billion a year on primary and secondary education." That's from the Common Sense Revolution document that was printed up at the beginning of 1995.

Let's take that argument, that \$14 billion, and accept it. Inflation has been running at about 2% since then. If you take a calculator and you go 14 plus 2% plus 2% and you do it seven times, you end up with a figure of \$16.08 billion. It sounds to me like maybe we're \$2 billion short of what we once spent. We're not lush in government support, as some would suggest. We have more students and we have aging buildings. We're not keeping up with developments in computer technology or the trades. Some of our machines in our tech shops were built in the 1960s.

Since you have come to Waterloo, I will outline Waterloo's financial history, because it is very intriguing. As you will see from the chart on page 6, if you would very quickly turn to that page, in 1990 our board had just under \$6,000 to spend on each of its 50,000-plus students. In 1993 it marked a high point. It's the second column from the right. For 1993 you see a figure of \$6,750. In the last complete year that ended last June, the board had \$6,445.94 per student to allocate to student needs. Now, if you just use raw dollars, forget about inflation, it's easy to see that in the last seven years the board has not even had enough money to keep pace with enrolment. From 1993 to 2000, the enrolment goes up while the per pupil revenue goes down. Enrolment is up 8.6%; per pupil funding is down 4.5%.

But it's even more revealing if you go back to 1993 and then estimate the impact of inflation. If you use 2% inflation as the figure, you discover a rather startling fact, as is shown on the next page, page 7. The Waterloo Region District School Board, if it were funded the same way it was in 1993, would have 25% more money instead of the 3.7% it actually has to repair its schools, provide special education help, offer adequate busing, buy textbooks, properly staff its schools with secretaries and custodians, fund athletic and artistic programs, replace worn-out equipment and musical instruments and upgrade its computer resources. It would have a staggering

\$74 million more at its disposal to support students in all facets of their schooling. Even if the board had half of the amount—let's assume that in 1993 we were a little rich—if they had \$37 million, you'd be solving all the problems our board currently has, and then some. We would probably be creating new programs to help kids.

Not surprisingly, compared to other North American jurisdictions, we have dropped to the bottom of per pupil spending. If you factor in the low Canadian dollar, at 63 cents, the Waterloo Region District School Board, at \$6,445.94 per pupil, ranks second to last, behind Mississippi, Alabama and Tennessee. I have the article on pages 16 and 17 for you to look at later. Ontario spends less than Quebec or Manitoba. It's virtually a disgrace.

But if through this budget process the province wants to save some money and maintain some integrity in the area of educational support, I would suggest to you that you agree to ditch the glut of standardized tests that now face our students. They are not educational. They do not improve student learning, which is what all these reforms are supposed to be about. It has taken me a while to actually fully understand this. No student can see how he or she was marked, or get anything but a computerized comment. In fact, I wonder how many of you know that EQAO is using a pencil-less method to mark student math answers. Markers during the most recent grade 9 math assessment, many of whom were not teachers and had no specific background in math, looked over student work and then reached a consensus of what it was worth. That was it. That was the sum total of what passed as marking. If I did that on every English test and assignment I marked, you would rightly accuse me of inadequate assessment and probably view such marking as arbitrary and superficial.

More importantly, what kind of learning experience is this for the students? Good pedagogy, good teaching, is rooted in ongoing, timely feedback and support for specific weaknesses. What is a student of math supposed to learn when he is told months after the fact that he achieved a level 2 and is, in the view of the province, unsatisfactory? What are you supposed to do with that information? I don't think a student can do anything with it.

I ask this question as a parent: what would I do or think in the following situation? We're going to have this situation. My daughter is passing English, perhaps has passed two or three courses in 9, 10 and 11 ministry-approved courses, but can't get a high school diploma because on two days out of 760 she was deemed to be a standardized failure by virtue of not getting a passing grade, in fact of not achieving a floating passing grade that was determined after the test, not before. When the grade 10 literacy test was done the last time, the mark turned out to be 62 in one and 63 in the other and the kids didn't know that before they went in. This is not a learning experience or even a diagnostic experience. This is a ranking experience, a labelling experience and a branding experience. It's a public relations exercise and it

is terribly expensive—we're talking millions and millions of dollars.

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And just in case you think this testing is where the rest of the world is headed, I have with me a copy of the February issue of the American School Board Journal. In very bold letters on the front cover it says, "Right Task/Wrong Tool: Today's standardized tests are not the best way to evaluate schools or students." As usual, Ontario is committing millions to a policy and a process that we have inherited from our southern neighbours that is severely flawed and a waste of precious tax dollars. Let's ditch it and put the money where it is truly needed—in schools for students or in special ed, as was said earlier.

I am reluctant to apologize if I sound upset and angry. Teachers and parents and educational leaders of all sorts have been saying for years that education is an investment—in lives and the future. Schools are not gold reserves, fit to be mined for tax cuts for profitable companies or wealthy citizens. They are the foundational social structure for the entire province, and they deserve to be funded, and funded properly, from the bottom up. Even maintaining the status quo will amount to a further cut, as we are going to have more Ontario students next year, and everything school boards buy is going to cost more, not less.

I urge the committee to be deeply sceptical of any assumption that more tax cuts are the highest priority for Ontario's taxpaying citizens. In four words, I don't think so. We don't need \$2 billion in further tax cuts, we need social investment.

I have outlined a few of the larger issues that we wanted to bring forward today. Dayle Whittaker will provide you with a concrete sense of what it feels like to be a science head and a teacher in one of our local schools.

Ms Dayle Whittaker: As John mentioned, I'm the head of science at Bluevale Collegiate here in Waterloo. I also sit on the school's textbook committee and budget committee. As such, I would like to share with you a snapshot of the textbook crisis this government's lack of funding has placed us in. On page 8 is an overview of the funding we received versus our required textbook expenditures for this year.

As you can see, the ministry only provided funding for the core courses: math, science and English. That amount, for one school, is approximately \$24,000. If you look below, the cost for math, science and English textbooks required was \$39,000. Before we bought another book for the entire school for this year, we were already short \$15,000. We did not even receive enough money to put a textbook in three core courses: math, science and English. Add to that, if you look below that, the cost for other grade 11 textbooks, \$16,000 worth. These are new curriculum textbooks required by you who implemented the new grade 11 curriculum—and there was no money provided for any of these courses. The rest of the school, for every other level, to replace lost or damaged

textbooks—\$18,000. We received \$24,000 initially in funding and it just didn't cut it.

In science we deal with cause and effect. Here, inadequate funding for textbooks is the obvious cause. But what are the effects? On page 9 I've listed some of the effects. These perhaps are not the obvious ones and that's why I'd like to share some of these with you. First of all, we were only able to purchase some new curriculum textbooks. I'm going to focus on the science needs because, obviously, that's my background. On page 10 I show you a chart from the science association for Waterloo county that lists all of our schools. As you can see, in grade 11 this year we introduced six new courses. Only in the academic stream, the university stream, were the schools able to purchase textbooks, although limited. None of the college, university/college or workplace courses were able to have new textbooks.

Mr Ryrie: There aren't even any, are there?

Ms Whittaker: I'm getting to that.

As well, because we weren't allowed to purchase sufficient textbooks to even service the courses that we offered, the publishers very keenly put CD versions inside the jacket of each of these textbooks, so some schools were forced to have some sections of courses getting CD versions of textbooks instead of hard copies. It was no surprise to me that I had a colleague at the school come and approach me, begging to borrow two hard copy textbooks because her son was one of the ones who only got the CD version and there turned out to be lots of problems with reading those CD versions.

We were only able to purchase the very minimum of textbooks. As a result, it became a very sad day in Ontario when I had to ask the teachers in my department to go out to these textbook sessions put on by the publishers and pick up as many examination copies as they could. Why? Because this year they were not going to get a textbook for personal use, because every single textbook that I was able to buy had to go into the classroom. I'll be honest with you, those were full of errors and, in some cases, I had to put some of those textbooks into the class because a textbook with errors was better for a student to use than no textbook.

Some schools were forced to blend old textbooks with new textbooks. It is this government that has mandated the new curriculum and it should be this government's mandate to provide us with the textbooks we need. You cannot expect us to teach new curriculum with 15- to 20-year-old textbooks. Our kids deserve better.

You may have noticed on the chart on page 10: "Not available," "Not available," "Not available." How many times does that occur? The fact of the matter is that the publishers, in the grades 9 and 10 years of new curriculum, recognized very quickly that this government was not going to provide adequate funding for us to purchase textbooks at all levels. So the publishers have chosen to cater to the university stream. Where you see "Not available," that refers to there being no textbook available. The publishers are not even putting out textbooks for us to use with our college, university/college or

workplace courses at this time. So these courses are having to be serviced with a combination of old textbooks.

As well, another problem arises from that. It's just this year that Nelson has come out with a grade 10 textbook that is more suited for an applied level grade 10. I'm sure you've heard about failure rates in grades 9 and 10. Part of the problem is that we were forced to use academic level grade 10 textbooks. The reading, the presentation, the focus of an academic level course is different from our applied level course. Nelson has just this year come out with a new textbook for the applied level grade 10s that would be better suited and focuses on what the intentions of the applied level courses are. However, we don't get any funding to buy new grade 10 textbooks. There is no money right now to go out and buy a textbook that is more suited for an applied level course because it's too late. We got our funding for grade 10 last year, although there wouldn't have been enough then anyway, or the year before.

Next year, the picture doesn't look any better. On page 11 at the bottom—

The Chair: You have one minute to wrap it up.

Ms Whittaker: This is just the sciences. Notice here, we're going to offer eight new courses next year; three of them will have textbooks available, five of them will not. None of our college level programs will have a new textbook to go with it.

I want to just wrap up very quickly by having you also note the cost of replacement now. There was a special deal last year for textbook purchases: 65 bucks. In order for me to buy more textbooks this year: 82 bucks. No more funding for me to do that.

The Waterloo region board took a lot of heat earlier this year because the kids did not have adequate textbooks. What did they do? They offered us a loan. You can refer to the memo to the principals' association on page 12 that says, "Yes, we're going to give you some monies to buy these textbooks but they are loans. It's going to come out of your schedule A for next year." To add to that, on page 13, you see a memo from a math head in Elmira who for the first time is showing a deficit because he's had to buy textbooks out of his math budget.

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In science, if I have to buy textbooks out of my science budget, it means there are not going to be labs happening in these science programs, not to the extent that science needs. Science courses are lab-based courses.

I would like to wrap things up by saying that next year we will implement the last of four years of new curriculum. But make no mistake, all four years of new curriculum can never be fully implemented until there is a textbook in the hand of every student in every course, but not at the expense of other programs.

The Chair: With that, I have to thank you on behalf of the committee for your presentation this afternoon.

THAMES VALLEY DISTRICT SCHOOL BOARD

The Chair: Our next presentation will be from the Thames Valley District School Board. I would ask the presenters to please come forward and identify yourself for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Joyce Bennett: First of all, thank you very much for the opportunity to be here. I'm Joyce Bennett, chairperson of the Thames Valley District School Board. Brian Greene is superintendent of finance, Graham Hart is a trustee and vice-chair of the Thames Valley board, and Bill Bryce is the director of education for our board.

On Tuesday, March 5, we released a special report on the funding pressures facing the Thames Valley District School Board. This is the document you've been given this afternoon. This special report begins a process of public consultation on the 2002-03 budget that will continue with a series of four meetings held on March 25 in different regions of our huge board.

I'm not going to go into a lot of the detail that's in the report, nor is our presentation going to be very lengthy. We thought it was important that we would give you an opportunity to ask us some questions perhaps on the specifics of the document.

I would like to say that it is clear to us that provincial funding is inadequate to meet the needs of our students. This challenges our opportunity and our ability to provide comprehensive, supportive programs for our students. Despite the serious budgetary pressures that we're under, however, we're committed to ensuring students' success and well-being. We are engaging the community in the public discussions around the budget pressures so that we can get their help to support student learning.

At the same time, we are enlisting their help to solve the funding crisis facing our board, because without increased provincial funding, we'll be forced to make cuts to programs and services. You'll find a list of what's at stake in your document. This will mean fewer learning opportunities and less individual support for our students.

We're also encouraging the public, anyone who is concerned about the impact of these pressures, to contact their MPP or the Minister of Education, Janet Ecker.

To determine the \$14.3-million funding gap, which you see at the bottom of the first page, we looked at the four areas of the greatest pressure on our board. They are transportation, school facilities, special education, and salaries and benefits. We calculated the difference between the amounts we expect to receive from the province in each of these categories and what we need to spend just to maintain what we're doing today.

The government's approach so far to addressing the funding challenges has been to provide one-time funding or flexible amounts. The reality is that these ad hoc funding grants do not come close to addressing the significant pressure that we face. The funds allocated to the model have not kept pace with inflation. You've already

heard that in the couple of presentations I've listened to this afternoon. We just can't pay for 2002 programs and services with 1997 funds. This is not a unique problem. Recently, the Ontario Public School Boards' Association reported that half of Ontario's school boards will be in a deficit situation in the 2002-03 fiscal year.

Before I turn the microphone over to trustee Hart, who will discuss several critical funding issues, I'd like to address up front an assertion that arises from time to time. It's often suggested that the financial difficulties of boards would be solved if they would only get rid of some of that administrative fat. The government was very clear that the prime purpose of amalgamation was to reduce the administrative costs, and to that end they set maximum amounts that boards could spend on administration. Given the government's public stance on this issue, we can only presume they set those amounts as low as possible.

In Thames Valley we've always been below that line for central office administration. We're right on the line for school principals and vice-principals and well below the line for program consultants. Money from the area of program consultants has been moved to classroom expenditure areas in the funding lines. I would also like to note that on the other side of this issue are the concerns that are expressed to us from parents who have students in the system and they don't have sufficient administrative staff to contact to help them with student needs.

Ladies and gentlemen, public education is an investment in the future, and we need your help to improve quality education in Thames Valley.

Mr Graham Hart: I just want to talk briefly about the four significant pressure areas that we've identified.

I'll mention transportation first of all. The difficulty in transportation is that we're still dealing with a 1997 model and it's only been adjusted for enrolment. It simply does not meet our needs, so the gap that we've indicated here in our board is \$3.6 million on an annual basis. This is an ongoing, continuing problem. Part of the deficit that we're carrying from last year is because of the shortfall in transportation. With one-time funding with regard to the energy crunch, we got a little bit of money, but again it always falls short of what our actual needs are, so we desperately need a new transportation model. The difficulty with the student-focused funding we have at the present time is that, yes, it improved equity, but it hasn't gone far enough. We need to address some of these issues around transportation with a better model, a better way of giving funds out to boards to deal with.

The second area I want to talk about is school facilities: the same sort of difficulty, and included in this is energy costs. I guess as a business person, what I don't understand is, if the cost of energy—natural gas—to heat a school is a certain amount, why doesn't the government fund the full amount? Why do we end up at the end of the year with a deficit that we carry to the next year? We expect to get further additional funds because it's general knowledge that energy costs have increased. Again, the

funding formula does not address those needs and we're now in a situation where we can no longer move funds from one underfunded envelope into another underfunded envelope, because all envelopes are now underfunded. We have to address the areas such as problems with regard to energy costs.

The third one is special education. I'll just give a quick overview. My difficulty with special education—we've always had a shortfall. The reason is because the funding formula is one-shoe-fits-all. It's a use of demographic percentages and enrolments to determine how many special-needs students you would expect to have in a particular board. In some boards, Thames Valley being an example, we have significantly higher than the provincial average of students with special needs. Maybe it's medical facilities that attract families to the area. Whatever it is, we need a special education policy that looks at students' needs. The difficulty, then, with the fact that we always have a shortfall in special education is that we aren't meeting those particular needs.

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The other thing with regard to special education is some of the cuts we've done in the past with regard to the support staff we cut: educational assistants, psychologists, learning coordinators and so on. What it is beginning to produce for us is what I call a two-tiered system of education. Many parents who need to get these assessments are now going to the private sector. They get the assessment done, and so consequently they move up the line. Then what happens is, the people who aren't able to purchase that kind of assistance for their particular son or daughter don't move ahead so quickly. So you're beginning to introduce a two-tiered education system. The concern we have is that if you continue along the kind of line you have, with the level of funding that we've had in the past, you will make this situation worse.

The fourth area I just want to touch on briefly is teachers' salaries and benefits. In Thames Valley, as well as throughout Ontario, we want the best-quality education for our students. Our difficulty now is that our level of compensation for teachers is in the bottom 30% of boards across the province. We cannot attract the kind of quality employee we want in Thames Valley if we're not funded at a level that allows us to compete. Frankly, we can't continue to find other areas of the budget to make up for these kinds of gaps.

I think in Thames Valley, as Joyce said earlier, we have done a very good job of concentrating expenditures in the classroom. We appreciate many of the initiatives of this government with regard to classroom spending and focusing our attention to those particular areas. But at the same time, we cannot continue to enhance student learning if we're not given the funds to continue along those lines. I'll just give one example of that: last year, we had to cut our literacy program. We thought it was a very important program because it helped to support the literacy program we had in a variety of schools. We've now cut that program. Our concern is that down the road

we won't know the effect of cutting that program until it begins to be a problem at the grade 10 level.

My concern is that we talk about an investment in students, in education. I don't think often the public realizes how long-term the investment in education is to get a return. As Dianne Cunningham recently mentioned, why is literacy a problem? If you look at the OECD comparisons, Ontario is doing extremely well and compares very well with the rest of the world. I want to remind you that the investment in literacy that you saw in the 15-year-olds writing that particular test really reflects what was invested in education six, eight, 10 or 12 years ago—what we were doing in the primary divisions and so on of our schools. So I'm very concerned that we're beginning to use comparative data, a snapshot situation, without realizing that education is a long-term and significant investment.

I'll leave it at that, Joyce, unless you want to add something more. If there are questions, we'd be glad to deal with them.

The Chair: Does that complete your presentation?

Ms Bennett: Yes, it does.

The Chair: We have two minutes per caucus. I'll start with Mr Christopherson.

Mr Christopherson: Thank you for your presentation. It's interesting. I'm not sure what Janet Thomson is here to talk about, but four of five presenters this afternoon are talking about education and the crisis that exists in different parts of education. That's not that far off from what we've seen in every community we've been in.

This is going to be an interesting discussion. I wish there were actually a couple of more minutes with the government, because you've really done an excellent job of setting up a perfect scenario that makes it hard for them to use the usual wiggle strategies that they do to avoid dealing with the real issue.

They often like to talk about administration. Whoever mentioned that hit it right on. They throw that out everywhere, that there's too much fat in the administration. You are either on the line or below their unilaterally imposed line in every major category of administration expenditure, so that doesn't work.

I'm sure some of your staff aren't that thrilled with this figure, but in salaries and wages, you're at the bottom 30%, so they can't argue that you've just given everything away to the big, bad unions that came rolling in and beat up you and the children to do that.

In the areas you've pointed out where you've made cuts, like literacy—even this government has said that literacy is a big issue—they're going to have a tough time saying that you've made poor choices.

Speaking of choices, it's not as if they have no money. They've got over \$2 billion to give away in tax cuts, which they're planning to go ahead with, and so they've made a priority choice.

I guess I don't really have a question for you except to say I'm going to be interested to see whether they can tackle you head-on on the key issue, and that is, who's at

blame that there isn't enough money: your management or their funding?

The Chair: Thank you very much. Mr O'Toole.

Mr O'Toole: Thank you very much for your presentation. Indeed, it is a good summary of some controversial issues we hear about. I might say respectfully that I was a trustee for quite a few years, and my wife is a teacher and my daughter is a new secondary school teacher, so I live with it. In fact, I consider myself a lifelong learner. I could always preface by saying that, arguably, since I was a trustee in the early 1980s, the arguments really haven't changed at all. The OAC curriculum—they've been talking about that since, you know. So none of these arguments are new. They're all the same.

It's quite a bit more gelled into a single voice, I might say. The administration argument and the curriculum argument was started by David Cooke, the Royal Commission on Learning. So as a director of education—absolutely none of this is new. It's a decade new, at a minimum. So we've sort of established that.

The transportation system—and you could respond if there's time. I'd like to know if in working with your coterminous board—there's special funding for boards that work coterminously. I don't believe there should be a transportation system for each board.

Special education: we heard earlier of students, per assessment, \$80,000. Do you think that's appropriate, and are they qualified to do the assessment? Eighty thousand dollars. Give it to the family. They'll figure it out, I can assure you. I really wonder if what you've heard today convinces you that the current model is sustainable. Every student is special, as a parent of five children. When I was a trustee and chaired the special-ed advisory committee and was on the provincial committee, they never assessed until about grade 4. There were no IPRs done. Now they're all done. Is it sustainable?

I guess my final one, and I'd like a response to this one: do you support the current technique of denying student teachers the opportunity to practise teach in your system? I would like an answer to that question. That's one more tactic.

The Chair: Mr O'Toole, you've used all the time. Mr Kwinter.

Mr Bill Bryce: We do not deny student teachers in our system. That is an incorrect statement.

Mr O'Toole: Thank you. Good for you. I respect that.

Mr Kwinter: Thank you very much for your presentation. We've heard this everywhere we've gone. I'm going to be making more of a statement than asking a question, but you may want to comment on it.

What I really resent is that the government is currently running ads in *BusinessWeek* and the *Economist* talking about the fabulous advantages of investing in Ontario, and one of the things they highlight is the educational system, this wonderful educational system. I can tell you, if any executive came here and listened to what was going on in these hearings, they would run, because the basis for their employees, the basis for attracting their

executives to come to a jurisdiction, is they want to make sure their kids get a good education, they want to make sure they get good health care, they want to make sure the environment is safe, and every day we hear statements to the contrary.

It isn't your issue, but the group that appeared before you—and I know about this because I've just been involved in it. It was testing. This testing is a joke. The people who are being hired to do the testing are from Drake personnel. There are people marking those tests who have never been in a schoolroom, never been in a classroom, and are not educators. They are just being employed because they need bodies to do it. These tests are being used to try to evaluate and justify what is going on. That money could be far better spent investing it in classes and in the support systems.

The last thing I want to talk about is the special education funding. Let's be realistic. There isn't enough money available, particularly with the prospects of having anywhere from a \$3.3-billion to a \$4.5-billion shortfall this year. But if there's one area that has a severe impact on everybody, it's special education, because it isn't just the child; it's the parents and what they have to do with it and all of the debilitating repercussions of having to deal with this issue when it's not being properly addressed in the schools. I don't know whether you have any comments on that.

1530

Mr Bryce: I could comment on the testing, because I have a daughter in grade 4 who just wrote the grade 3 test a year ago. Her teacher did a tremendous amount of positive work to help her and the other students learn. She was in tears when she found out she could not get the test back. Her quote to me was, "Daddy, how will I know what I didn't know?" That was from the mouth of a nine-year-old. The teacher did a tremendous job. But by not getting the test back, she couldn't learn from it. All she got was a mark. That is something, as I say, from a nine-year-old—and I wasn't prompting her. That's what she said to me. I think the teachers are doing a tremendous job, but we're not getting the learning from those tests that the feedback would generate in the minds of students. I think that's a very correct statement.

The Chair: With that, I have to bring it to an end because we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

JANET THOMSON

The Chair: Our next presentation is from Janet Thomson. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 15 minutes for your presentation.

Ms Janet Thomson: Hello, I'm Janet Thomson and I am the chief negotiator for 3,200 elementary public school teachers in Thames Valley. I come to you not only as a representative of many teachers in this system, but I

come to you with a special education background—because that's what I do when I'm not doing my chief negotiating role—and also from some of the parents and the concerns they have expressed to me through spec ed and various other areas.

To give you an example, I'll start with the resources. Yes, textbooks have been shared. In my own school, we share textbooks among two or three classes in areas such as English, math and history/geography. There aren't enough textbooks. There aren't enough materials.

As well as the low end of the spectrum, I teach the gifted students. I had four students taking the grade 9 math course in grade 8 because of their gifted status and their abilities. They had to share materials. They did have textbooks from the high school, but one component out of eight is a section on the graphing calculator. The high school could not give us one at all. I managed to get one through our board at a cost of \$150 to the board, but I also had to purchase one of my own for the students to share—two calculators among four students—to do that part of the curriculum.

I have a budget of about \$500 per year for my special ed students in this school. That has to cover everything. In fact, it covers the testing materials that I use to test the students prior to them going to psycho-educational testing. It may buy the odd material, ie a few learning materials, but it doesn't buy the basic minimum that I require for my students. So I'm sure you're well aware of the problem of materials out there.

The second area I'd like to deal with is class size. In my role as chief negotiator, I have been involved in the class-size district committee since the beginning of the amalgamation portion. I have noticed that, in some areas, our classes have significantly increased in size. We use a built-in ratio, which includes the 24 for the primary grades and the 24.5 average aggregate across the system. But we build in the prep time. We have had to increase the factor we use to allocate our classroom teachers, so we are very close to that 24.5 average. It's just horrendous, because we are a combined city and rural board, so therefore, we have schools that cannot triple-grade. But we're getting close to having to do some things that are not beneficial for our students in those areas. For example, we had one kindergarten class this year in one of our rural schools—a combined JK and SK—of 30, and it took us several months before we could break that down. Those students had to suffer in a class of 30 because we did not have the additional support and teaching staff to accommodate them.

In the area of staffing, as I've indicated, we don't have enough staff in the regular classroom. That has been looked at significantly. We do a tremendous amount of work to try and keep some of our primary classes lower, but the compensating factor is that some of our junior and intermediate classes are regularly in the 30s in order to do that in schools.

In the area of special ed, there appears to have been an overall decrease in availability of special education help to our students, and I speak from personal experience.

Not only is there a decrease in the number of special education teachers available in our regular classrooms for the students, but also the number of students is growing significantly. They also have a significantly increased demand for paperwork. I used to be able to do an individual education plan in about a half to three quarters of an hour, and do revisions as needed regularly. My new IEP takes me two hours per student, and I have to do that four times a year for each of the 20 to 25 students I deal with.

That is not to say we shouldn't do that. I do ongoing work with the program, but added on to that has been the ISA funding this year. My colleagues are struggling to get all the paperwork together. I have had several calls in the last couple of weeks saying, "You know what? The students are suffering because we're having to do all this administrative paperwork, and to what end?" Yes, we need to generate the educational assistance staff because they are essential for the special ed program to be effective, but there is a significant amount of administrative work in compiling them. A few years ago, it took me between five and six hours to do one student for an ISA file, and I know the hours have grown since then.

There has also been a decrease in the type of special ed programming. In Thames Valley we've tried to amalgamate and to offer services across the valley. I know that in my specific school, I have a number of students who do not fit into a regular classroom. They would normally go to high school in Woodstock. The only school that would make sense and would meet their needs, because they're generalized learning disability students, is to go to London for high school, which means a lot of them get on the bus at about 6:30, a quarter to seven in the morning. They finish around the same time as their friends, but they get home at about 4:30 or 5 at night and then proceed to do their homework. But they have received significant success when those programs are available. It just means they're forced to ride the bus for a couple of hours in order to meet their needs. The parents have appreciated this special program, but some parents have been worried about the long time the students have to spend on the bus and wish the school board could afford something. In this day and age, with costs rising—it's horrendous what it would cost to put a high school in Woodstock, but it would certainly help a number of students in our area if they could have the type of program they receive in London.

The one area for teachers, apart from the salary, that has come to a crisis is benefits. I have been engaged by my colleagues to do a comparison. I compared 18 elementary boards in the province and what they received for benefits and the cost of those benefits. In the initial funding model, we were allowed \$6,000 per FTE for all benefits, statutory and negotiated. The next year there was a slight increase of 1.95%, which meant it went to \$6,117 per FTE for all negotiated and statutory benefits. We tried to play by the rules. It doesn't work. We were significantly in excess of that FTE for our statutory and negotiated benefits and there is no way, when the cost is

going to up by 10% and 15% by the industry in negotiated benefits, for us to keep going when we're getting a 0% increase in this area.

We are one of two boards that reached a crisis point last year. In talking with fellow chief negotiators in southwestern Ontario and across the province, it's beginning to roll into their areas. They have significantly been borrowing dollars from other areas to address the issue of benefits.

1540

In the area of salary, we have received a modest increase in the last few years, but it has been eroded by the escalating costs in the area of benefits. So our teachers last year really did not see any salary increase, so to speak, because they were paying back the deficit because of the benefit crisis and the dollars not available to them. That has become a major issue in the Thames Valley area.

The last area I want to talk about is school closures. In Thames Valley in the elementary level we have had five closures in the last few years. That has greatly affected the ability to offer programs to some of our students in an appropriate setting. We know that in Woodstock alone we closed three elementary schools. We moved these students into other schools. The other schools they have moved into will be reaching maximum capacity within the next couple of years and there will not be room in Woodstock to house all those students, fail the exception of putting additions and portables in.

This is a growing issue, and I know my colleagues to the north in Avon Maitland are struggling with that issue, as are Bluewater and a number of other areas. The only way that they can get additional funds in the facility area is to address the issue of reaching closer to the 100% maximum capacity. That has been a grave issue for a lot of parents. They do not want to see their children shuffled off and transportation costs increasing because their students have to be bused significantly far away from their home community.

I thank you for the opportunity and I welcome questions.

The Vice-Chair (Mr Doug Galt): Thanks very much for the presentation. We have about a minute per caucus.

Mr O'Toole: Thank you very much, Janet, for a very genuine presentation spoken with a great deal of sentiment and sincerity. I have heard and am supportive of eliminating the red tape in ISA funding. I heard it last year and I have heard it this year. Our original commitment was to do two things. It was supposed to be portable funding. Once it's identified there's supposed to be some kind of grow-in and move with the student. That simply hasn't happened. I'm disappointed that we haven't followed through. It would save what was brought up earlier, some significant amount of paperwork, rather than student services. So I can assure you and commit to you that I will most definitely follow up on that for what that commitment means.

The area of school closing—and I was a trustee—is not a new issue. I think the issue with respect to school

sizing and footprints is that there are different kinds of grants emerging. The remote and rural grant specifically has changed as a result of members like Marcel Beaubien and others, because it is a concern. I have that in part of my riding. It's very prescriptive in the act, certain sizings for a principal and all the rest of the kinds of classifications, structural issues. So if you can speak outside the box, like I'm doing now, I'm comfortable trying to represent those concerns. I am available, I am interested and want to try to do what we can do in the system to fix the system of education when it comes specifically to school closings. Small schools in my riding are extremely important and I stand up for them, disregarding the government's strong footprint. I appreciate your presentation today.

Mr Kwinter: Thanks for your presentation. As a negotiator, you would have an idea of what's happening to the teaching population in your board. Have you found that teachers are leaving the profession with early retirement and just wanting to get out because of these problems? How is that affecting what you're doing?

Ms Thomson: What's happening is that in Thames Valley alone we've had a turnover of 200 teachers on average for the last three years, and it continues to look like that. We have new teachers coming into the system, but some of those new teachers are finding it extremely difficult with the limited support that's available to them. I say that our board has been exceptional in providing resources, but the types and demands of children that you're dealing with have significantly increased the job. Some of them are leaving after the first year or two because they can't deal with the pressure that's going on. We are noticing that a significant number of people when they hit the 85 factor are gone; there's no question about that. They're not going to stay any longer than they have to.

Mr Christopherson: Thank you for your presentation, Janet. By virtue of you talking about education, that means every single presentation this afternoon has been about education. I have to confess that at the end of two weeks—we've got one day of hearings left tomorrow in Barrie—it's hard to believe the government members have managed to dodge and dance and avoid dealing head-on with the issue of the fact that all of these crises that exist in education are a direct result of underfunding. It's their formula. They're the ones who have made the decision.

I want to focus a bit on your special ed teacher. I've got to tell you, as a result of what we've heard in our hearings, the status of special education in the province of Ontario is nothing short of an absolute disgrace. It's just disgraceful that we're treating some of our most vulnerable children in the fashion that we are, and yet, when you listen to them, all they'll talk about is bragging about their tax cuts and how well off their corporate friends are.

If I've left you any time at all, can you give me a sense of what it's like in your classrooms, where you've got children who have challenges, who require special

attention? You said you have gifted also. Then there's the balance of the kids. We've heard about the disruption in classrooms and the fact that it's not just hurting the kids who need the supports, but it's affecting all the kids in the classroom. What's your personal experience?

Ms Thomson: What we've tried to do in my own school—and this school is very dependent on what's set up—is I try to emphasize working on the English and math component. Because we're a JK to grade 8 school, I have students at virtually every grade level, so the students come to me rather than me spending time roller-skating around the school. We have two half-time spec ed teachers and one EA. We all have half a dozen children, anywhere from three to four children each we're working with, which may be 12, 13, 14, 15 students, and we're running three different programs simultaneously in the room. That's to address the identified children. That's not to even address the children who are working through the system who need the additional support. That's where my teachers are screaming for additional help, because those children are going to be identified. It's taken some of my children—and it's not because we can't do it—two and three years to be identified simply because of the backlog. I have one student who was put on the waiting list last year and he has yet to be tested this year because our psychometrist and psychologist are needed to update assessments for the ISA funding.

The Vice-Chair: Thank you very much. On behalf of the committee, we appreciate you coming forward and making the presentation.

The next delegation is the University of Waterloo. It's my understanding the next delegation is not present at this time. They should be here very shortly. We'll recess until they arrive.

The committee recessed from 1548 to 1554.

DAVID JOHNSTON

The Chair: If I could get your attention, please, I'd like to bring the committee back to order. Our next presentation will be from the University of Waterloo. I see our two presenters are comfortably seated. Could you identify yourselves for the record, please. On behalf of the committee, welcome.

Mr David Johnston: I'm David Johnston, president of the University of Waterloo. My colleague is Dr Amit Chakma, our vice-president, academic, and provost, who is a chemical engineer. I want you to know we have a good engineer managing the operation of the university.

We're delighted to see you here. Thank you for doing us the honour of holding your sessions on our campus, and thank you very much for giving us the opportunity to appear before you today. Amit and I have prepared some notes. If it's helpful, we'll leave with you this document, which is just speaking notes. We're not here presenting a brief on behalf of the university. These remarks are our own views with respect to the budget consultation process, and if it would be helpful for us to amplify in any

way on these views following today, we would of course be delighted to do so. Our presentation will focus primarily on the Ontario university system. We'll cite examples from what we know best, the University of Waterloo, but I think the points we make are applicable to the entire Ontario university system.

I believe we're in a crisis situation—I use that word advisedly—and if it's not resolved soon, we put at risk Ontario's future economic and social well-being. Let me focus on just two major issues that are of paramount concern. One is the double cohort challenge. Put as directly as we can, in our view the current plan for tackling the double cohort challenge, which hits us in September 2003, is inadequate, and unless immediate actions are taken to rectify that situation, the system will not be able to handle the students, thereby stepping back from what has been a very important tradition in this province, from the time of Premier Robarts and Premier Davis, of a place in Ontario colleges and universities for every qualified, capable candidate.

Secondly, the more difficult concept, the quality of education at the university level in Ontario: our universities are hurting badly, and we simply must find the will to reinvest in universities, which have so much to do with civicism, the civility of the knowledge-based society.

How did the crisis develop? Let me just make a couple of points. University funding in Ontario has been declining for over a decade. For the last six years, Ontario has stood last—that is, 60th out of 60—in North American jurisdictions in changes in its operating grant per student. Between 1995-96 and 2000-01, Ontario funding has in fact declined by 3%. Alberta's has grown by 14%, state funding on average in the United States has increased by 36% and California's has increased by 76%. So we ask ourselves, what does California know that we in Ontario do not?

What has exacerbated this unacceptably low funding level per student is to provide full funding for all students currently enrolled in the university. At the present time here at the University of Waterloo, about 10% of our students pay tuition fees, but we do not collect an operating grant from government for them. They're the so-called unfunded BIUs. It was our effort to anticipate the double cohort enrolment increases two or three years ago. Those students have been admitted, but they don't attract an operating grant, and we're typical of Ontario universities. Currently about 10% of the students at the undergraduate level in Ontario universities are unfunded in terms of operating grants; that is, they pay tuition fees but there's no operating grant for them. Since 2001 we have had assurance of full average funding for the double cohort students. However, the actual growth was underestimated, as often happens in planning exercises, and the current funding allocation results in new students in this year being funded at half the full funding promise. So that \$1 has been discounted to about 50 cents.

Secondly, in the three-year multi-year funding for those double cohort students, there was no inflation adjustment. We all understand that inflation is something

we don't want to deal with and that we'd like to wring out of the system. But universities have cost-of-living increases of about 4% a year, not the typical 2% to 2.5%. Because so much of the materials, books and equipment we buy is in US dollars, we have to deal with the exchange rate, and a good part of our operations have to do with energy prices and so on. So 4% is a more appropriate rate for us.

Finally, the numbers of students are coming in greater quantity than anyone had anticipated. For the coming year, September 2002, rather than a 10% increase in applications, we're currently looking at a 15% increase. So there's another 5%.

1600

What's been the effect? One very immediate effect is that in the current year, the year that ends April 30, we have had a 3.5% budget cut, and in our budget presentation just made to our Senate finance committee this past week, which will go to our board in April, we're looking for a further 2% cut. So in a two-year period that's a 5.5% cut. We had a 15% cut in 1996 with the crisis of that year. These are very difficult matters to handle.

Secondly, we are an extremely efficient university system. There is simply no fat left in the system to squeeze out. A commission on investing in students was appointed under the chairmanship of Jalynn Bennett, who reported a little over a year ago now—a careful study. I think the bottom-line conclusion of Miss Bennett's report was that the Ontario university system is a very efficient one indeed.

We would like to take more students in the double cohort, and in fact we are planning for it. Our university will have increased its undergraduate enrolment by about 30% from September 1998 to September 2003, which is a pretty healthy increase, and its graduate student enrolment by about 35% in that period of time. But we can't do any more than that under the present funding regime.

What we suggest is the following:

First, to deal with the double cohort challenge, the immediate challenge—will there be a place for bright young people in 2003?—provide the full average funding, as was originally promised, at actual numbers as opposed to planned numbers. Secondly, recognize that there are cost-of-living or inflationary pressures—in the university system they are about 4% a year, and not only for the expansion related to the double cohort and increased participation rates, but also to deal with that 10% of students currently in the system who were brought into the system in anticipation of the double cohort, who pay tuition fees but for whom there are not operating grants.

Secondly, we've used the corridor funding system, where each university has been expected to take a fixed number of students and is paid an operating grant for those but not beyond those. Revise that to allow the university system to determine what the optimum student

intake is and then fund the student increases with net new money, thereby providing an incentive to expand.

Thirdly, recognize that it's not only operating costs but capital funding for additional classrooms, residences and other physically related infrastructure. The Super-Build funding carried us some distance down that road, but it has not provided the kind of capital infrastructure for the additional numbers we now see coming into the system.

Looking beyond the immediate challenge of the double cohort, we suggest a few other strategies. First of all, let's have an objective of moving Ontario from the 60th out of 60 position in North American jurisdictions in changes in operating grant per student to A Roadmap to Prosperity, which said Ontario will be the best jurisdiction in North America in which to live, work, play and raise a family. If we're serious about that aspiration of being the best, we simply must find the way to invest in higher education and research, which is a motor for so many other things, including raising prosperity so we can afford our health system, repairs to our roads and so on. I would suggest that over the next decade our aspirations should move from the 60th out of 60 position into the top quartile, into the top 15 systems in North America, so that we can indeed establish Ontario as the best place in North America in which to be.

As we deal with the double cohort, we should focus especially on graduate student funding. We need to educate the professors and the highly skilled workers for industry who will help us over the next decade. In Ontario we expect that the entire cohort, about 13,500 university professors, will have to be replaced in the next decade, and across the rest of the country the entire cohort will have to be replaced in the next 16 to 17 years, in part because the echo of the post-Second World War baby boom is moving through that entire Canadian system—in Ontario we have the double cohort to exaggerate it a bit—and in part because our participation rates have gone up. They are among the highest in the western world; we should be proud of that. We're recognizing that a smart society is one that educates its people to do very well.

We currently have in place, at the initiative of this government, a wonderful scheme of a \$10,000 match for each \$5,000 a university can raise by way of private money to fund \$15,000 scholarships for graduate students. That's a wonderful initiative, and we're working very hard with our alumni to ensure that we meet those matches.

Continue the reinvestment, which this government has led so well with the Ontario Research and Development Challenge Fund, the Premier's Research Excellence Awards and the Ontario Innovation Trust.

Enhance public-private R&D partnerships, as represented by the Ontario Centres of Excellence. The best initiative in higher education and research that I've seen in the last 30 years is the Centres of Excellence. They began here in Ontario. They spawned the Canadian Institute for Advanced Research, which Fraser Mustard

started here in Ontario, and they have now been followed by the federal Centres of Excellence in other provinces across the country—an Ontario creation that's been enormously successful.

Introduce income-contingent repayment plans for Ontario students' university loans, so that as they incur those loans they will be expected to pay them back through their tax remittances based on their income. And if they don't meet a threshold because they are a social worker or a pastor in a church, then be prepared to forgive those loans.

Let universities and students manage supply and demand. Allow universities, their students and their governors—and bear in mind that governors are publicly appointed as well as appointed by the university—be responsible for establishing tuition fees on condition that each university ensures that a financial aid package is in place so there are no financial barriers for qualified students. Put that responsibility on the university. There will be some public monies for it, like the OPAS system, and the universities will raise private monies as well to ensure there are no financial barriers.

A reasonable year-by-year cap on increases in tuition fees would be appropriate to avoid sudden shocks. About three years ago our university established a forward-looking tuition policy which said the increase will be no greater than 10% in a given year for the regulated tuition fees and no greater than 15% a year for the deregulated tuition fees. That was a cap to ensure there was no shock.

Invest in earlier outreach programs to encourage lower-income students at an early age to aspire to university attendance.

Fully fund co-operative education, which costs a university like the University of Waterloo about 15% more to run—we don't receive any operating grant for that, and we don't charge an extra tuition fee. We're the largest co-op university in the world. Sixty per cent of our students earn their degrees by studying for four months and then working for four months. Our engineers are 100% co-op. It's a very cost-efficient system. Many students emerge debt-free at graduation. They enjoy a starting wage premium of about \$7,500 a year over their regular stream peers, and they carry that premium right through their working lifetime; that is, a student who comes out of our institution with a co-op degree will start at, say, \$37,500 a year, and a student in a regular stream at \$30,000 a year, and that premium remains with them through their working careers and of course is taxed.

But we've got this unfortunate penalty that the reason co-operative education is not more widespread than it is, number one, is that when you hit a recession, as we have recently, you have to work pretty hard to maintain your co-op employer jobs, your partners. Number two, it costs about 15% more to operate the university on a three-term, through-the-summer program and have duplicate sections of courses available to students when they come for the four-month study term, having been off on their four-month work term. We also have a personnel corps of almost 50 people who arrange the placements and

oversee them. That is actually paid by a \$400-per-term fee that the students themselves pay, but that too is an essential feature of making co-op work. You have to ensure that the employers are your partners in an educational adventure and that you work with them year upon year.

Finally, let the global community know that Ontario is the best place in the world for higher education and research. Encourage recruitment of international undergraduate and graduate students. Scour the world's refugee camps for bright people looking for promise and bring them here to pursue their dreams in Canada and help to create a more prosperous and more civic society. If there's any one thing we know from the so-called knowledge-based society, it's based on helping talented people become more talented and contribute to their society through their talents.

Mr Chairman, thank you very much for giving us the opportunity to be with you. Amit and I would be happy to respond to questions and to provide any other information or ideas you might find useful.

The Chair: Thank you very much. We have two minutes per caucus, and I'll start with Mr Kwinter.

Mr Kwinter: Thank you very much. I want to commend you for the reputation of this institution. You should be proud of it.

You've outlined the problems, and you say you're not going to be able to deal with some of these things unless you get this additional funding. My question is: what happens if you don't get it? How are you going to deal with it, and what are the repercussions of that to the university?

Mr Johnston: Number one, our university simply will not be able to take any more students, and therefore they won't have a place; second, the quality of the education we offer will become poor; third, the environment for our professors and staff will become poor and they'll go elsewhere.

1610

Mr Kwinter: So this is really a matter of, if you don't get it, you've got a real problem.

Mr Johnston: We have that problem now, and it's all universities in the system. There is not the possibility now, with the current mechanisms in place, to provide places for the students who arrive in September 2003.

Mr Christopherson: Thank you for your presentation and for hosting our hearings today.

I'm assuming, since you've used the word "crisis" and you've acknowledged that we're dead last out of 60 jurisdictions in terms of funding for universities and colleges and your desire to see us in the top 15 and your concerns around the double cohort, that if you could be instantly made the Minister of Finance, this would become at least one of your top priorities.

This is dangerous—politicians should no more than lawyers ask questions they don't already know the answer to—but I'm going to ask anyway and it's going to be interesting. If you had your choice, would you cancel tax cuts to pay for it, or are you one who agrees with the

government that the tax cuts are so overwhelmingly important that even if the university remains underfunded, that should still remain a priority?

Mr Johnston: My answer will not be quite as crisp as you would like, but I would go back at least to 1996 and if I could to 1993 and 1990. We have been on this decline for 10 years. Somehow we have managed to introduce substantial tax cuts, which are very welcome, and managed to eliminate our deficit, which is very welcome, and we have managed to respond to a crisis in the health care system at the same time. But I think we've said, "Universities, you're good folks and we believe in you, but you simply have to wait." I think that was a mistake. I think if I had a choice today between a dollar of tax cut and a dollar of investment in higher education and research, I'd put that dollar in the latter on the theory that it would return to me in three to four years' time in a more productive workforce and a much more substantial research output.

Mr Christopherson: A lot of people in a lot of areas would make the same choice, which would just about negate the whole program they had. Thank you, though. I appreciate your honesty.

Mr O'Toole: Just a couple of questions.

I'd just like to kind of refute—I want to put on the record that in last May's budget statement, and I'm going to read it directly, "I'm pleased to announce the largest investment ever made in Ontario's post-secondary education system." You're well familiar with that.

Mr Johnston: Sure.

Mr O'Toole: You know, Paul Davenport and Prichard wrote it; they definitely had the minister's ear.

Mr Johnston: Yes.

Mr O'Toole: And you're saying it's not enough?

Mr Johnston: Yes.

Mr O'Toole: The \$1.8 billion that's invested under SuperBuild and all its partnerships is creating 73,000 new spaces. The government has made a commitment—not to be confrontational; it's the tone of my voice. But we have guaranteed a place for every willing and qualified student, in partnership, of course, with the increases you have outlined.

What more could we do? Is there some other creative thing here? Because there are huge pressures. Mr Christopherson and Mr Kwinter have heard that. In health care, they want about \$5 billion more a year. So—

Mr Johnston: Honest and important observations. Let me respond to them.

Number one, SuperBuild was very important. We were down this morning with Mr Flaherty announcing a \$4.1-million contribution to rebuild a school of architecture in Cambridge. It's very important. What that did was help to deal with some of the double cohort coming forward, but not all.

Mr O'Toole: No, it's phased.

Mr Johnston: Yes. It will provide spaces for 73,000 students, but we're looking for a lot more than that, both undergraduate students and then graduate students and research.

Secondly, that comes after a freeze on capital construction in Ontario universities for about six or seven years. There was big catch-up element.

Third, at the present time, this university competes with MIT, Harvard and Princeton for talent. Our funding is one tenth, on a per-student basis, of those universities. Harvard has an endowment of \$22 billion. It's going to take us a little while to raise the private money to match that. But our funding in all the Ontario universities is about one half of that of a good public university in the United States, and that's our competition too. So my answer very clearly is, yes, we must find a way to invest more if in fact we're going to compete with those institutions on a North American basis for talent.

SuperBuild was a wonderful first step. Some of the research funds are a wonderful first step. We've got a long way to go.

The Chair: On behalf of the committee, I would like to thank you for your presentation this afternoon, and it was certainly a pleasure to be here.

Mr Johnston: Thank you very much.

The Chair: I don't have any announcements. This committee will adjourn until 10 o'clock tomorrow morning in Barrie.

The committee adjourned at 1615.

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LEGISLATIVE ASSEMBLY OF ONTARIO

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STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Friday 8 March 2002

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The committee met at 0959 in the Holiday Inn, Barrie.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Marcel Beaubien): Good morning, everyone. If I can get everybody's attention, I'd like to bring the standing committee on finance and economic affairs to order.

JOHN SAYER

The Chair: Our first presentation this morning is from the Barrie Central school council. I see that the presenter is sitting comfortably. If you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Mr John Sayer: My name is John Sayer. I am actually with the Barrie Central school council, but I am really here as a parent first and then as a council member with the knowledge that I've picked up in that capacity. I'd like to thank you all, ladies and gentlemen, for allowing me the privilege of talking to you. It's not very often we get the chance to talk to so many distinguished people.

I'm here today, as I said, as a parent of two girls in the Simcoe County District School Board—one in grade 7 and one in grade 11—so obviously my issue is going to be education. I have been a member of school councils of both elementary and secondary since their inception six years ago. I am currently the chair of the Barrie Central school council. During the time I have been on councils, I have seen a steady decline with the inadequacies of the existing funding model.

Funding must be based on the needs of the student. This is obviously not the case with today's funding model. The system is not equal and equitable in growth areas, especially with the Simcoe County District School Board, where Barrie is the fastest-growing area in Canada, with nearly 50% of the student population attending schools in this area. Yet with the last figure I saw, we were \$520 per student below the provincial funding average. With a school population of 51,843 full-time students and more than 3,000 other and part-time students, we have had explosive growth. Common sense would suggest that we should be above the provincial spending average. According to my calculations, just to bring us to the provincial average we need at least \$27

million, and we should probably have more money than that.

Special education: the minister has developed a system or process that is not easy to understand and does not address the needs of the students. The present system is designed to hinder the process, causing delays and hundreds of hours of time wasted in the Simcoe board and in the schools. This time cannot be spared due to the drastic cuts in secretarial staff caused by funding cutbacks from the ministry. This impacts directly on the students. If funding is not available to develop the programs desperately needed by them, the students will lose.

Many administrators are working 60, and a lot of them 70, hours a week and are suffering from burnout. Sixty percent of these people will be able to retire in four years, and they will probably do that. One hundred percent will be able to retire in six years and, at the end of that time, we'll be left with principals who will have six years' experience or less. Mentoring to other principals and teachers will suffer, basically.

These days, I'm told administrators spend 15% of their time on student learning and the other 85% on other agendas caused by a lack of secretarial staff and other problems caused, once again, by the lack of funds we have in this area. This is already happening at the board level, where only one superintendent was employed in that capacity prior to 1998. The mass exodus of senior staff has left us with a system of board administrators with less experience than would warrant if other choices had been available.

EQAO testing: the tracking of grade 3 students to grade 6 is too localized. In one school where I sit on council in Barrie, there were only three students left by the time they reached grade 6. This is too small a sample and, once again, a waste of resources and manpower in a system already overstretched. Who suffers here? The students.

Grade 10 literacy tests: with 11 sheets of paper to track every student, it's labour intensive. There is not the staff available to support this. Sixty million dollars are spent to test students but there are no resources or money to help those in need. How does this benefit students? We suggest testing a sampling of students and redirecting existing dollars to fixing the problem areas.

TV advertising: I would like to see the money spent in this area put into the education budget, where it can better serve the needs of the student. Putting students first

should always be our first priority. Since 1995, the Ontario government has spent \$245 million on advertising. How is this benefiting students?

Cutbacks to custodial staff are wreaking havoc with computer and AV equipment. The dust is at a level where it can start to become a health issue. At Barrie Central, we have been cut back 1,200 hours since the start of the 2001-02 school year—just 5 months—and that's without sick leave, where staff are no longer replaced when sick. Who loses here? The students. This is also a security issue. With less custodial staff in the building, our schools are not safe, especially after school hours.

Library resources have been reduced by one third since 1995. Who loses here? Textbooks are insufficient. Despite ministry funding, there are too few books, especially in the new curriculum. Without the ability to look at a book, learning for some students will be lost. There are 22% more nerves going to the eyes as opposed to the ears. In 2002, funding for textbooks and learning materials is based on 1997 levels. This issue is further compounded when funding for learning materials and textbooks for the new curriculum is reduced by 50% or \$15 million in 2001-02.

Computers: once again, an area of great concern. We are back to where we were five years ago. With the opening of two new high schools last year, existing equipment was removed to the new schools, leaving the older schools with less equipment. There are no new initiatives to upgrade computers because there is no funding available. For a province that considers itself on the leading edge of technology to improve student learning, the provincial funding for technology does not reflect mandated school board information management systems, nor the increased provincial electronic reporting requirements for which all boards are accountable. In order to bring equipment up to date and provide adequate services, we need an extra \$25 million province-wide. Once again, the student loses.

Professional development is a major concern, particularly with the changes brought about by the ministry. This is considered a non-classroom expense by the ministry. I have to ask why something as important as training teachers is not within the classroom funding, particularly with the ministry putting such emphasis on teacher recertification. With inadequate training, the student is shortchanged.

There is a shortage of teachers, and the situation is getting worse. A starting salary of \$34,000 is not attracting them, after an expensive university education. You can get a job at McDonald's as an assistant manager and make the same kind of money, without the degree. The provincial funding model has reflected only a 1.95% increase in wages, compared to a compounded inflation rate of 8.4% over the same period. Failure to attract the right people will impact on the quality of teaching and the learning abilities of students.

Transportation: in 1997, the board decided to start the majority of high school students at 8 am, even though they had been made aware of the impact this would have

on students through a presentation made to them by the high school teachers' federation. They chose to ignore the students in the interests of cutting costs. In other words, they put the interests of the budget ahead of the welfare of the students, and continue to do so today, even though I and others have made them aware of the dangers and hardship this is causing the greater number of high school students.

The ministry froze its transportation grants in 1997. Unfortunately, because of its efficiency, Simcoe county is now penalized and has to continue to provide services to a growing number of students at 1997 funding dollars. The ministry needs to address the issue of underfunding now. You can't provide 2002 services with 1997 dollars. A deficit of \$57.3 million is the predicted provincial shortfall for this year.

The 8 am start time for high school students must be stopped. A recent sleep study completed by Sleep/Wake Disorders Canada shows that up to 60% of students are at their sleepest between 8 and 10 am. The average teenager should be getting nine hours and 15 minutes of sleep a night. Many are getting far less because they have to get up too early. Their circadian clock—their internal clock—operates on a different timeframe than pre-adolescents or adults. Many studies, most from the United States, show consistently that most teens are chronically sleep deprived. Sleep deprivation can impair memory and inhibit creativity, making it difficult for sleep-deprived students to learn. Teens struggle to learn to deal with stress and to control emotions, and sleep deprivation makes it even more difficult. Irritability, lack of self-confidence and mood swings are often common in teens, but sleep deprivation makes them worse. Depression can result from chronic sleep deprivation. Not enough sleep can endanger the immune system and make them more susceptible to serious illnesses, including type 2 diabetes.

The ministry has to accept responsibility for this disastrous, irresponsible decision made by the school boards, provide proper funding to the boards for transportation, protect those funds in a designated envelope, as with other programs, or eliminate busing altogether within areas where public transportation is available, and ban schools from starting high school before 9 am. Elementary students should start around 8:30 am. As most primary educators I have discussed this with have told me, the primary students do better earlier. We give them the more challenging tasks in the morning.

Changing the start time for high school students to a later time would be one of the single most productive measures the ministry could take. Students would learn better because their brains would be in a more receptive state and their emotions would be more under control. We would see better test scores, less uncontrolled behaviour and healthier students.

Private schools: \$2.3 billion will be taken from public education with the implementation of private school tax credits. What impact will this have on public school students? Public schools are subjected to strict curri-

culum guidelines and mandatory monitoring to ensure that the ministry-approved curriculum is being taught. Private religious and independent schools are not subject to the same standards of accountability for curriculum implementation. There is no requirement for all teachers in private schools to hold Ontario teachers' qualifications. This would appear to be a two-tiered education system supported by tax dollars, with two-tiered accountability: strict accountability for public schools, and no accountability for private schools. It would appear that the private system is being given preferential treatment. Why? What is the advantage to students? Either the government should improve and strengthen existing public schools, or the government should provide tax credits for parents who send their kids to private schools? Some 79% preferred the first option of improving the public school system. Why does the question even arise, unless the government has an agenda to promote private education at the expense of public education?

1010

Parents now have to pay up to \$150 per student for classroom materials in secondary schools. According to a recent tracking report released by People for Education, 65% of schools do not have enough textbooks for the new secondary school curriculum; 23% report they were unable to pay for needed repairs to their buildings; 26% report that access to a board psychologist had decreased in the last year; 32% of schools report a decline in the number of guidance counsellors since 1999-2000; \$63 million was cut from the transportation grant, creating hardship to many students and causing one board to announce they could only afford to bus their students to school four days a week.

Funding a strong public education system is the most important investment we can make as a society. We can either pay now for a properly funded system or pay later to house the students we have failed in overcrowded jails. The future of our children and their education is at stake. The school boards in Ontario are bankrupt or very close to being bankrupt. The only source of funding is the provincial government. It is their responsibility to ensure that sufficient funding is provided to all school boards in a fair and equal manner. In this task they have obviously failed, with an expected shortfall in 2002 of approximately \$1.1 billion, and another \$1 billion needed to refurbish aging buildings. The government will obviously get a failing grade in managing the most valuable resource this country has, our children.

Respectfully submitted, John Sayer.

The Chair: We have approximately three minutes per caucus. I'll start with Mr Phillips.

Mr Gerry Phillips (Scarborough-Agincourt): Thank you, Mr Sayer, for being on the school council. We appreciate the time that's required by people like yourself. You're performing a very valuable service.

I would like to start with your secondary hat on. We've heard a lot of concerns about the literacy testing, that in order to graduate you'll have to pass the literacy test, and for some students that's going to be a very

difficult challenge. With one standard that a certain number will have difficult meeting, we're going to have quite a large number of students who just won't pass secondary school, who may have been able to qualify in the past to go on to our college system. Has that been a subject of any discussion with your council?

Mr Sayer: There are so many things. It's like there's a list, and it's a long way down the list. My daughter is in grade 11, which is really the guinea pig year for high school students. It's like those kids have been missed because all the programs put into place were after or when she started. It's obviously coming along and, in the end, I'm sure it's going to be great. But, to answer your question, it hasn't been the greatest concern that we've received.

Mr Phillips: Is the greater concern simply a lack of available funds to fund the basics?

Mr Sayer: The reason I started this whole crusade, if you could call it that, is because of the 8 o'clock start time. It is the most damaging thing that the board has done. They refuse to look at any alternatives, I think simply because they're so underfunded that they're scared to do anything that will change the existing system that we have. To me, obviously, we're in need of more funds. But I feel that the school councils are given responsibilities that don't really mean too much. When it comes to trying to deal with process, we're not listened to at the board level.

Mr Ernie Hardeman (Oxford): Thank you very much for your presentation. I was particularly interested in the 8 o'clock start. Incidentally, my daughter is in grade 12, so she's the other half of the double cohort with your daughter.

My question on that very simply is, does the hour make any difference? It seems, with my daughter, the time she has to start in the morning has nothing to do with how much sleep she gets. It has to do with when she started the sleep as opposed to when she stopped sleeping.

Mr Sayer: It's such a big issue that it's difficult to get into in a minute or two. But I've read somewhere that the difference between achievers and non-achievers is 35 minutes' sleep per night.

Mr Hardeman: I hate to suggest that the figures are wrong. Obviously, in the last number of months we've heard a considerable debate about the private school tax credit. We did public consultation on it through our budget process. For the first time I think in Ontario history we actually did public consultation on the budget. Where does one get the number \$2.3 billion? In fact, if you take the 102,000 students in the independent system—and the credit is not based on an open-ended percentage of tuition; it's capped at \$7,000 of tuition. So the maximum that any student could derive from that tax credit would be \$3,500. Doing the math, one would have to have an awful lot of the students leave one system to go to another system to get the tax credit, recognizing that everyone who does that still pays for the public system and they have to pay a minimum of \$3,500 a year

to send their child to an independent system. Where would one get that kind of figure, \$2.3 billion?

Mr Sayer: This is the figure I've got, obviously. The only figure that I made up was the \$27 million, estimating in terms of Simcoe county's shortfall. This is something I picked up from another document.

Mr Hardeman: I just wanted to point it out.

In the same section, I would point out, and it's likely a typographical one—

Mr Sayer: I put this together myself.

Mr Hardeman: "Either the government should improve and strengthen the existing public schools or the government should provide tax credits for parents who send their kids to private schools?"

Mr Sayer: That was a question, "either/or," and it didn't come out right. It was a question that said basically 79% of the parents would think it was better to strengthen the existing system. Sorry about that.

The Chair: With that, Mr Hardeman, we've used all the time.

On behalf of the committee, thank you very much for your presentation this morning.

Mr Sayer: Thank you for allowing me to present to you gentlemen.

LEARNING CENTRE FOR CHILDREN WITH AUTISM

The Chair: Our next presentation will be from the Learning Centre for Children with Autism. I would ask the presenters to come forward; if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Mr Howard Kohn: Thank you, Mr Chair. My name is Howard Kohn. I'm accompanying the executive director of the learning centre, Erla Juravsky, who will be addressing you today, for the most part.

Ms Erla Juravsky: I'm very nervous today talking to you. I was going to bring some prepared notes with me but, for me, in many respects, this is a presentation of a lifetime.

The Learning Centre for Children with Autism is an organization that's just two and a half years old. I am privileged to be its full-time executive director. I serve in the position as a former chartered accountant and investment banker who gave up my profession when my child became diagnosed with autism. Now I am at the heart of the business management of the organization.

We started this two and a half years ago because there was a profound lack of services for children with autism, and equally frustrating was that there is known treatment methodology, often referred to as ABA or IBI. I know that this committee has probably heard much on the topic of autism and IBI as a treatment that has proven effective for autism so I won't reiterate what I'm sure you have already heard much about.

We founded this organization with the firm belief that parents and families are at the heart of their child's future

success, and that any initiative to further develop children with autism to their maximum potential must partner with families to reach that ultimate goal.

A group of families, professionals and volunteers put together the Learning Centre for Children with Autism over two and a half years by fundraising hundreds of thousands of dollars, investing thousands of hours of time, tears and efforts that couldn't be imagined to get this centre off the ground because we were of the firm belief that if we built it, we could demonstrate the tremendous benefits that can be had with effective treatment strategies for children with autism.

There are parents who may come to our government to say, "Help me with this problem; help me solve the problem for my child with autism." We have tremendous empathy for other parents that are working in—I am so nervous talking to you today, I must say. I am so nervous.

The Chair: Don't be nervous. Relax.

1020

Ms Juravsky: What I'm bringing to you is an idea from an organization that's actually on the front line of autism. Every person in our organization, be it a child, a grandchild, a neighbour, a friend, is touched by autism. We have worked together to find an outstanding solution to address their pressing needs. We have built a learning centre, knowing that if we build it, we can demonstrate it. It's so difficult to talk about something on paper—"What are we going to do for the children? They need this"—and speak in the abstract. What I invite each one of you to do is actually come and see us, because we did build it, and we built it out of our hearts and out of love for the children and out of a connection with some outstanding professionals and researchers, such as the Hospital for Sick Children. Centres similar to ours in the US have been operating for 20 to 30 years; we have flown down there to model ourselves after that because we know that there is an effective approach for children with autism. What we actually have to do is try to build it.

I suppose I could have come to you and said, "I think I have the idea," but what I hope makes us a little bit different is, I know I do and I can show you. I think that organizations and projects like ours are so worthy of partnering with our provincial government because we have the fuel and the engine of professionals and parents that are willing to work hand in hand to get the job done.

I know that there are enormous financial pressures on every government right now. Everybody needs more. What we would like to do is partner with and say, "We know that everybody needs more." Autism is now at a prevalence of one in 500; 25 years ago—you just said it was three per 10,000. There is no doubt it is an enormous bubble that is pressuring the system—the health system, the education system, the Canadian social service system. Everybody is feeling this enormous pressure. We actually want to work to provide a model, to provide a piece of the public policy contribution, to say, "Let's look at it this way. Let's look at this project as a way that can address a crisis," in very much a partnership arrange-

ment. I know that my child will most likely have autism for his entire life. He is four and a half now and I know that the pressures that I deal with at four and a half are going to become different at 14, are going to be different at 24 and are going to be different at 40.

Supporting organizations and providing a partnership with organizations right now empowers parents to work collectively together to prepare for the future, as opposed to presenting their child as something that needs to be solved for them. I think the best investment, and I speak as an investment professional, is in something that's got a catalyst burning already; to build on ideas that have been contributed by people of passion and people of recognized excellence in their field, which is what our organization is. I probably haven't articulated this nearly as well as I had hoped to.

I have a presentation here asking you to support our organization for an amount of \$1.2 million per year for five years, because what I am good with is numbers. With an investment in our organization, we can produce for you something that actually is already there. I field a call a day from families newly diagnosed with autism. We have no public funding at all, we are fuelled entirely by donations, but what you'll find is that parents intuitively help parents of children with autism. I have people showing up at my house because they know that, "Erla actually runs a really good autism program and she won't turn you away." Other parents in our organization have parents showing up at their house. I think if you—

Mr Kohn: Perhaps I can be of assistance here. I've already introduced myself and I want to thank you all for hearing us. I am a lawyer in the city of Toronto. I have a three-and-a-half-year-old who is autistic. I didn't know what autism was until about a year and a half ago, when my son was diagnosed. We were desperate for solutions when we learned of our son's affliction. We were fortunate enough early on to meet someone who provided the same type of service that Erla is providing through the learning centre.

That treatment started to unlock our son. Before he had any of that treatment, he was remote. He wouldn't look his mother or me in the eye. He wouldn't talk. He had no words, no sounds. He engaged in ritual behaviour and entered another world, one where we couldn't connect with him.

Since he started receiving this type of treatment, things have improved considerably. He said "daddy" three weeks ago for the first time. He now plays with us—to a limited extent, but things are moving. We're seeing improvement; we're seeing hope for the future. One of the reasons I am here is because my family is the latest family to join Erla's organization. We're amazed, quite frankly, at what she's done in the last two years. She's built a beautiful school with wonderful therapists who are using the only scientifically proven method of treating autistic children, and they're reaping benefits through it.

The unfortunate part of all this is the money aspect. My family is currently getting some funding from TPAS.

Unfortunately, it's only about \$22,000. At the discounted rate that Erla's able to provide service for my son, the cost is \$55,000 a year for each child. The actual cost is quite a bit higher, about \$70,000, but because of corporate donations and other efforts, the learning centre has been able to provide space for families. Money is the issue, though, gentlemen and ladies.

Ms Juravsky: Howard has bailed me out here, because I am not typically an emotional person. This centre would not have got off the ground if it was not built on a very straightforward, solid business plan. I really want to make up for how I may have presented here. We have an outstanding program that is recognized by the Hospital for Sick Children. I have had calls from across the country, every province out to Vancouver, looking to learn from us and wanting to model and replicate our site. We are a leader in Canada and we are recognized as being a leader in Canada.

When children are diagnosed at leading hospitals—Toronto Western, Hospital for Sick Children—they do not offer treatment for autism, but what they do is press my business card into their hands and say, "Call the learning centre, because it was started by a group of families, and they can help you"; and we do.

We do it without any level of government funding. Should you decide not to fund it—it's bad business to say this—I will keep doing it. That's not an invitation to turn down this suggestion, but I am telling you that this is a credible organization with a track record and with the passion to partner with—the whole is bigger than the sum of its parts. Partner with us, and we can take it from a grassroots organization to an organization that is a leader and that can shape public policy, because we have a voice to be heard.

A good government takes a broad survey for solutions. I don't think you're going to get a single solution to autism. I wish you could. Believe me, I wish you could find a single cure for autism. You need us to pioneer the way, because we do it on the littlest bit of fuel you could possibly ask for.

This is not the way I thought this was going to go today. I'm going to invite you to ask me questions, because I'm sure you've got them.

Mr Kohn: Just to finish my thought, which is still brewing in my head, we recently joined the learning centre and our son loves it. He's learning. He loves going there. He's responding more to us and to the people around him. We're hoping for a miracle and we're hoping for miracles for others too, because Erla's right: parents of autistic children reach out to each other. There's a kinship that can't be described.

1030

I feel that when I was given a son with autism I was given a gift as well, a purpose, something to really dedicate my life to and something that's greater than the day-to-day work I do in my law firm downtown. That seems petty and meaningless to me now compared to the awesome responsibility that I feel I've been given and that Erla has helped us with so greatly.

I just want to let the committee know what wonderful work she's doing and how grateful our family is to be part of the learning centre and what a wonderful investment it would be for the province, because left untreated, autistic children down the road will only become a greater burden financially, morally and spiritually. Thank you so much.

The Chair: Thank you very much. We have two minutes per caucus and I'll start with Mr Christopherson.

Mr David Christopherson (Hamilton West): Thank you very much for your presentation, both of you. It's enlightening that at this moment tax cuts seem so unimportant. I note that in your presentation you say that it's best if it's started early. Obviously that points to the issue of early diagnosis. We've had other presenters with autistic children who've talked about this—and by the way, Erla, yours isn't the first set of tears, so don't be embarrassed. There's a lot of things happening in this province that people reflect when they get to the table, and your emotions are an example of that.

What we've discovered throughout these hearings is that there's up to a two-year waiting list for some children to be diagnosed. I just wanted you to reflect on that and maybe give us some help in adding how important it is that we get funding for the diagnosis and the treatment, up to and including the funding of your centre.

Ms Juravsky: The diagnosis is without a doubt an important part of it, because without a diagnosis you cannot access the funds. My child, before he received a diagnosis, began treatment, because one of the things I firmly believe is educating the parents so they know that there is something definitely wrong with their child. Autism displays in symptoms. It's not a metabolic blood test; it's diagnosed by observation. Many parents suspect something is wrong long before they are able to achieve a diagnosis. People have actually come to my centre, knowing that they are on a wait list for a diagnosis. They think their child has autism and I encourage them to begin learning about IBI and ABA, just as I did. I actually got my diagnosis as confirmation.

I acknowledge that there's problems in achieving a diagnosis, but our centre does not address the diagnostic problems. We look to the other professionals in the health care hospitals to address that. What we do, regardless of diagnosis, is provide parents with the education and the tools to help their child as soon as they become suspicious. We provide them with advice and guidance where to pursue a diagnosis. So we are more than a treatment centre: we really deal on a parent basis.

I agree, of course it's an issue. It's one of many, but it's not at my core.

Mr Garfield Dunlop (Simcoe North): Again, I appreciate you coming out this morning. I didn't know about the organization until I looked at the agenda yesterday. Actually, I have a constituent of mine with me today, Tammy Prohett, who was in to see me for a couple of hours yesterday. I'm sure Tammy would like to talk to you after the meeting. I asked her to come down with me.

I understand your organization is looking for money to proceed over the next five years. I was coming with the intent this morning of listening to concerns on adding to the \$39 million that the province is putting in right now and wondering what kind of needs are actually there. We've got \$39 million now. Should it be \$100 million, should it be \$200 million or should we start with something like your organization and develop that accordingly?

Ms Juravsky: I don't want to scare you with numbers. The state of New Jersey two years ago put out a press release that I clipped in my file when we began this learning centre project. The state of New Jersey, which population-wise is very comparable to Ontario, increased their spending for ABA services and IBI services by US\$300 million, because ABA is actually provided in the state of New Jersey until the age of 18 and is publicly available. It is a phenomenal cost. I am not asking for that level.

Does it take more? I without a doubt do not think that \$39 million is going to serve the children on all the waiting lists. The waiting list in Toronto exceeds 600. I know because I've had calls from number 580 on the list, a parent saying, "I am number 580 and I don't anticipate getting to the front of the list for two years. I still would like to take a spot on an unfunded basis." I have parents prepared to pay the tuition fee, mortgaging their homes, to attend the centre.

So is there enough money? Is \$39 million going to do it? I don't think so. But I think when the province is looking at where to invest this money, it is wisest to invest it in an organization where the wheels are turning, that levers off the commitment and volunteerism as a parent. We actually have a parent commitment that when we take on a child, you must commit to volunteerism, at a minimum of 20 hours a month, to our organization. That's good value because the parents need to work with us to make this happen. We are not looking for a blanket solution here; we are looking for a partnership. That's not just because it's cheaper; it's because this child is going to need your help as a family for a lifetime, and you must be equipped. So it's not just an economic issue; it's a philosophical issue: how do you get your child to be the best they can be?

The Chair: Thank you very much. Mr Kwinter.

Mr Kwinter: I'm delighted that you got a chance to be here. I was called about a month ago to come and see that facility. If you take a look at the picture on the front of their presentation, it's the old Dempsey's hardware store which was at the corner of Sheppard and Yonge. It's a heritage building and it was moved around the corner by the city of Toronto. It has been totally restored and they've leased it to the learning centre for 20 years at a cost of \$1 a year. This is in recognition of the work that's being done there. They have to maintain it—it isn't as if they get it for nothing—and they have to pay all the expenses, but they don't have to pay any rent.

I had an opportunity of spending some time, and it was interesting for me, because maybe five years ago

another member of the learning centre had a child and asked if I would come to her house to see the process of what was going on. That child, who is now seven, is in this centre. So I've seen him develop from the age of about three to the age of seven. If you saw him you'd think he had many, many problems, but the advancement in that three- to four-year period is unbelievable. When you see these children who are nonverbal but are communicating with computers and who have various devices to allow them to measure their progress, it really is something. I can tell you, notwithstanding that Erla is crying, you'll cry as well when go and you see these children.

It's a horribly expensive process, and also the funding stops at age six. You might want to comment on what happens after that.

Ms Juravsky: We don't cut the children off at age six. It's not part of our philosophy. We believe that a child's best outcome is if you start with them from diagnosis and take them through to the point where they are ready to re-enter the school system. For some children that may be six, for some children it may be four, for some children it may be eight or 10. Regardless of where that child is on the age category, we take them through to where they need to be. That is why we are a registered charity, non-profit, and that's why we as a collective group work very hard to make sure we can provide the service. We believe it's cheaper to do it that way. When a child has to transition from an early intervention program to the education system, the education system does not provide ABA. The child transitions through teachers and process. You lose time. Seamless delivery, if you talk in business terms, covering all the channels of delivery, from point of entry to the point of exit, is just a far more economical way to go. So that's how we've built our model. We believe that the child succeeds the best out of this model. It's cheaper to deliver. It's just the right thing to do.

Our problem is that we cross ministries, and that's why you're going to see that this is a tri-ministry proposal, crossing the boundaries of ministries. Instead of the children following the system and following the money, we create the most effective delivery model and, hopefully, seek to find support of the three ministries so we can make it happen. We're blind to the boundaries and we think that makes it a better model.

The Chair: On behalf of the committee, thank you very much for your presentation this morning. Good luck.

1040

GREATER BARRIE CHAMBER OF COMMERCE

The Chair: Our next presentation is from the Greater Barrie Chamber of Commerce. I would ask the presenter to come forward, and if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Mr Pierre Jacques: My name is Pierre Jacques. I'm president of the Greater Barrie Chamber of Commerce. You'll be pleased to know that I may not take up 20 minutes. I asked my membership what issues were most pressing to them and I didn't get a whole lot of response; either they're very happy or they're indifferent. But I do have some things I'd like to speak to you about today.

I'd like to thank you for the opportunity to be here. As president of the Greater Barrie Chamber of Commerce, I represent 1,800 small businesses. The province has been revitalized in a lot of aspects and I think that things like tax cuts need to continue; balanced budgets need to continue. We have to have a balanced budget. That's one of the most important things to our membership. Another thing we're really concerned about is provincial debt reduction.

There are several other issues. A lot of them are on a provincial scale, not on a local scale, but I'm here today to speak to you about local issues specifically. One of the local issues I want to touch on is education. The part I want to touch on is post-secondary, especially Georgian College, which is a college here in the community.

An issue of great importance to our members is the skills shortages that hurt our ability to compete and be as successful as we can locally, provincially, nationally and, increasingly, internationally. Our success as employers depends on having employees with the right skills, the right attitude and motivation. Many members already have great difficulty in recruiting such skilled individuals. This problem will only get greater with each passing year, as Canadians retire in unprecedented numbers, as well as not getting skilled people. What we're seeing is a brain drain to the United States.

For many employers there's a great reliance on Ontario's post-secondary education system to educate and train the supply of skilled new employees, especially through Ontario's public college system. We are fortunate in Barrie to have one of Canada's leading colleges, Georgian College. In the past two years, Georgian has had the highest graduate employment rate in the province. It has been tied with Durham College, with 94% employment within six months of graduation. It was recently selected as one of Canada's top 100 employers for the second year in a row. But we are extremely concerned with reports that are beginning to emerge from the college system that they may not be able to address the skills shortages as fully as necessary due to inadequate funding. I understand Ontario colleges receive by far the lowest operating revenues—government funding plus tuition—in Canada. They have grown tremendously over the past decade despite a decrease in funding and modest tuition increases as compared to universities.

Chronic underfunding by the provincial government and a huge influx of new students due to the double cohort and the echo baby boom jeopardize this critical resource. I have tables here that indicate that over the past years, enrolment has gone up dramatically in colleges, while funding has gone down. I can give these to the panel after. From what I gather, it's quite possible

that within two or three years the college system will be broke. That doesn't speak well for the future of training skilled labour.

To me, it is imperative that employers can count on a financially viable college system that is able to provide access to students who wish to work in a wide range of fields, and that that access not be denied at a time when employers desperately need such skilled human resources. Skilled employees will help employers be successful, generating corporate and sales tax and helping to keep unemployment low, reducing social costs and generating higher income and sales tax.

That is my presentation on behalf of the college. Other than the colleges, I'd like to talk a bit about the transportation issues that concern our members.

You know it doesn't take long for the GTR to expand. Twenty years from now the GTR will probably encompass Barrie or south Simcoe county. We need improvements to Highway 400 just to make sure the goods that are produced here have access to markets in the GTR and elsewhere. We need to improve the north-south corridor. But before we do that, I think it's very important, if you look at the GTR, that you also improve the east-west corridor. If you can't move people east-west, there's not much point in moving people north-south. We have to look at the future, to maybe speed trains or even the GO train coming up here. If you look at the growth rate here in Barrie and Simcoe county, there are not enough highways to carry the population back and forth. Those are the traditional trucking routes to northern Ontario, and there's just a big crunch on there. Transportation is a big concern to our members, and something like extra funding or improving the highway system should be looked at to improve the economy.

I'm going to talk about my own personal pet peeve. I think northern Ontario is suffering. I've travelled across Highway 7, which they call the TransCanada Highway. To me it's nothing but a carriage trail; that's not a TransCanada Highway. If we hope to get businesses growing and carrying goods across the country, Highway 7 is probably a big priority to work on. Besides that, every time I travel to Ottawa, I've got to stop for about a dozen lights on the TransCanada Highway. It is a pet peeve.

Another issue we're concerned about as a chamber is the health issues. There's no doubt that the provision of health care will continue to cost more to business and individuals and a partnership with the private sector may need to be greatly expanded. As you know, health costs are skyrocketing. From what I gather, the provincial budget now for health is 44% of the total budget, and if it keeps going that way, there won't be a budget for anything else. We've got to look at the aging population, the boom, bust and echo effect. That's a big concern because when you build infrastructures, 10 years down the road they're too small or 10 years down the road they're too big because of the dynamics of the population. There are a lot of things you have to look at.

Again, partnerships with the private sector need to be expanded. Personally, I don't see anything wrong with

private clinics for MRIs and CT scans if they want to be funded at the same rate as the hospitals. People who are in a big rush to get those things done can get them done and pay extra. If you look at millionaire hockey players and other people, they have access to those things immediately, whereas the majority of the population doesn't have access to those. There should be broader access to some of those things.

Speaking on behalf of the Royal Victoria Hospital, I know we've been promised a cancer centre. That's one issue that we think needs to be addressed very quickly. Unfortunately, when you talk about that boom, bust and echo thing, the RVH was underbuilt for the number of people we have here. So another issue that needs to be looked at is the population growth in certain areas and the health care available to people.

Other than that, on a provincial scale—I had something to give you but it seems to have disappeared. I think I forgot it at home. That was the handout I was going to give you.

1050

The Chair: Things happen. You can always send it to the committee.

Mr Jacques: I was in a bit of a rush. You know, these things happen.

The Chair: You can send it to the clerk of the committee and I'll make sure that the members get it.

Mr Jacques: It's the presentation that was made by the OCC. It talked about taxes and issues like that. You know, 20 minutes—I didn't have a whole lot of time to prepare all that stuff and give it to you. I had the handout ready to give to you.

The Chair: We'll go forward with questions. We have a couple of minutes per caucus.

Mr Dunlop: Thank you very much, Mr Jacques. Good to see you here this morning. Barrie is a rapidly growing city here in the province of Ontario. I'm curious. What's the chamber doing, along with co-operation from the city and the region, to try to leave more of the jobs here in Barrie as opposed to 30,000 or 40,000 people driving down that highway every day? It appears that's part of the problem, that people have to commute to the GTA for a job. Have you got any comments on that? Has the chamber done anything on that?

Mr Jacques: We're working closely with the economic development committee of the city trying to get new business here. But I don't think the city has got a lot of room to grow. There's a lot of talk about smart growth so that the city can expand its boundaries and have more room to grow and attract more business. But as you know, when you talk about smart growth and municipal councils, it's not a Love Boat affair. They're fighting constantly about losing area.

Mr Dunlop: I understand that there has been a study done that 80% of the people who commute to the GTA, if they could find a salary near their current wages in the GTA, would rather be here than in the GTA. I'm just wondering, is that something where the municipal councils should be working more closely together or is it

just a lot of infighting that's stopping probably some good common sense?

Mr Jacques: I think there's a lot of competition trying to get the businesses, major companies, moving to Barrie. What's happening with Barrie—like I say, I represent a lot of small businesses—is that basically it's a service industry which is looking after grocery stores, restaurants and things like that. They're low-paying jobs; they're not high-paying jobs. We're trying to attract other industries like Honda or bigger industries here but they just don't seem to be coming. I don't know if it's got to do with the ability to move goods up and down the 400. I know that on the 400 at the best of times you can't move.

Mr Phillips: Thank you very much for being here and presenting. You've actually outlined quite a few concerns of your members on the need for some improved services in the area. One of our huge challenges is finding the revenue to support those things. The government has decided that they want corporate taxes in Ontario 25% lower than our major competitors in the neighbouring states. According to what the government gave this committee a week ago, the corporate taxes in the US, in places like Michigan, New York, Ohio, are roughly 40%, and the government of Ontario wants Ontario's corporate taxes to be 30%. They've also gone on in telling us that the Ontario government has repeatedly called on the federal government to cut corporate taxes deeper and to get them to 23% in Ontario; in other words, 40% in the US, 23% in Ontario. That's an enormous revenue loss to a jurisdiction. We have corporate taxes right now on the current plan 25% lower; they're urging the federal government to cut its taxes so they get them roughly 45% lower.

Recognizing the challenges we have, as you say, in health care, in our colleges and in transportation to fund the services, do your members feel that it is imperative that we have corporate taxes dramatically lower than our US counterparts, which are our major competitors now, as I think we all can appreciate, or could they live with something that isn't 25% to 45% lower than the US to help fund colleges, health care and transportation?

Mr Jacques: That's a good question. I don't even think I'm qualified to speak on that. Percentages I wouldn't know. Sorry. All I'm qualified to say is that our members feel that tax cuts for small businesses are imperative. That way it makes them more dynamic and more competitive. When you become more dynamic and more competitive, you hire more people. That way it improves the economy. But as far as percentages and what the rates should be, I'm really not qualified to speak on that.

Mr Christopherson: Thank you for your presentation. You mentioned the importance of tax cuts especially for small business and the need for those to continue, continued provincial debt reduction and balanced budgets as the three key economic issues from the chamber. You also commented on the importance to the local business of ensuring that Georgian College is financially viable—that was the phrase you used—and how skill shortages in

particular hurt the ability of small business and larger business to compete; therefore, the importance of Georgian College. Then you talked about the chronic underfunding of Georgian College, so it has been a long-term concern you've had. You talked about transportation needs, improving corridors—your own pet peeve with the TransCanada is noted—and the need to ensure health care, particularly in the local area with a new cancer centre.

If you listen to the finance minister—and who knows for sure what the numbers are—he is suggesting he's going to be short somewhere between \$3 billion and \$5 billion as his starting point in building the next budget. Given all the things you've asked for on the tax relief side, which cost money—lost revenue is the same as spending, so a dollar that you don't collect in taxes is no different from a dollar that you spend out of the budget—and given the needs you've mentioned—and you heard the last part of Erla's presentation which talked about the needs for children with autism—what should wait? Should the tax cuts, the balanced budget or the debt reduction wait, or should children with autism and their needs, Georgian College, transportation and health care wait? What should wait if you accept the finance minister's numbers that not everything can be done?

Mr Jacques: From what I gather, tax cuts have helped the economy greatly. If it helps the economy it brings more revenue in. Obviously, if you generate more revenue then it can help to pay for those other things.

Mr Christopherson: Here's the difficulty with that. I understand that argument. I've heard it for years and years, especially during the boom times. It was hard to respond. When you had a US economy overheated the way it was, pulling our economy along, the money was rolling in. Those days may come back but they're not here right now. So that argument is just not going to work, because all the things that you've mentioned got left behind during the good times; to leave them behind in the bad times leaves them behind all the time. Yet the tax cuts got taken care of, massive tax reductions. Again, in that context, the argument, "Give us the tax cuts and we'll have the money to do these other things," didn't work during the good times, it's not going to work in the tough times, and if it did, it's going to take a few years at least. Meanwhile, these kids go without. Do you really still think that paying off the debt is more important than taking care of kids who have autism?

Mr Jacques: I believe paying down the debt is very important.

Mr Christopherson: I didn't say it wasn't. But do you think it's more important?

Mr Jacques: I can't comment on what's more important or what's less important.

The Chair: With that, Mr Christopherson, we've run out of time.

Mr Christopherson: To be fair, that's why you're here: you're making the argument of what's important.

Mr Jacques: I'm arguing on behalf of my constituents.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

1100

TORONTO DEVELOPMENTAL SERVICES COALITION

The Acting Chair (Ernie Hardeman): The next presentation is from the Toronto Developmental Services Coalition. There are people here to make that presentation. We ask them to come forward. Thank you very much for joining us here this morning. When you get seated, please introduce yourself for Hansard. We have set aside 20 minutes for your presentation. You can use all of that for your presentation, but any time that is left over after your presentation will be divided equally among the three caucuses for any questions they may have as they relate to your presentation. Thank you very much for being here, and we'll turn the floor over to you.

Mr Michael Doto: Thank you very much for having us. We're thrilled to be here. My name is Michael Doto. I represent the Toronto Developmental Services Coalition.

Mr Stanley Smith: I'm Stan Smith. I represent an agency called New Leaf: Living and Learning Together Inc., also part of the Toronto Developmental Services Coalition.

Mr Doto: We thought what we'd do is that Mr Smith would read somewhat of a prepared statement and then we would be happy to answer some questions.

Mr Smith: Those who know me know I'm not noted for brevity, but I'll do my best. I'm sure your bell will ring when our time is up.

The title of our paper is Helping People with Developmental Disabilities Live Meaningful Lives in their Community. This brief was put together by the Toronto Developmental Services Coalition, which helps people with developmental disabilities live meaningful lives in their communities. The question is, is it a dream or a reality?

This document describes the issues faced by people with developmental disabilities and their families living in Toronto, and the agencies trying to help them.

The Toronto Developmental Services Coalition is an organization of 14 agencies serving more than 6,000 people with developmental disabilities and their families in the Toronto area. We are committed to serving our clients with the best possible programs and services. Yet services are compromised and individuals and their families fear the worst because of funding stresses in staff recruitment and retention, infrastructure and unmet client and family needs.

The good news: the Ontario government announced a five-year funding package of \$197 million in new funding for developmental services in May 2001. Across Ontario, agencies serving people with developmental disabilities and their families received \$55 million in the first year, \$30 million of which went to easing the staffing crisis. I don't have to stress that it didn't do a lot.

There are a lot of people to be served with that money. It sounds like a lot, but it didn't go too far.

The rest went to expanding community services such as SSAH, special services at home, which is parent respite; day programs, which is places for adults to go when they are no longer in school; out-of-home respite care; and new places to live created for people with developmental disabilities. This has resulted in good news for some families, and I have a good-news story from one parent that I'd like to read.

The parent says, "We have realized our dream. Our son spent five years in a residential setting with four individuals who were at least 40 years older than our son. Our son had little to do during the day. Our family worked for 15 months on a 155-page proposal asking for funding for an appropriate placement close to family with a meaningful day program. We went cap in hand to 37 government officials before we got the funding we needed. Our son now has a new place to live with people his own age, a few friends and something enjoyable to do during the day. Now we can sleep at night, knowing our son has a new life."

What can government do? We are asking for more funding in the second year of this revitalization package to provide quality staff and services to Ontario's most vulnerable citizens. We need a new funding formula for the Toronto area that recognizes the higher costs of doing business in Ontario's capital. Our agencies have done what government has asked us to do. We found efficiencies and served more families with fewer resources, but at a cost. As parents and their children grow older in our system, we cannot meet some of their most basic needs. Families are asking us what will happen to their sons and daughters when they are no longer able to care for them at home.

I would like to mention at this point that we know—I personally and, I'm sure, Mike and other agencies—of parents in their 80s who are still caring for their developmentally handicapped children who are also senior citizens at this time. That's going on as we speak.

What will the children do during the day when they are no longer in school? How do they make sure the children have quality of life? We are willing to work collaboratively with government to ensure that our clients and their families are receiving the funding and services they require for a meaningful life, for their whole life.

The people we serve are children and adults with developmental disabilities. Many of our clients also have physical disabilities. Our clients need services that range from family counselling and respite support, day programs, physical therapy and literacy classes to full-time residential placements with constant supervision.

What issues are our clients facing? Our clients and their families are facing major issues including long-term residential waiting lists, a lack of day programs for out-of-school adults, school-to-adult life transition crises, aging parents and lack of funding for respite care and services such as vocational training and special services at home.

Waiting lists: residential placement waiting lists run up to and over 20 years. Most of our clients must be in crisis situations—that is, both parents deceased—before they are considered for placement. This not only distresses families, but also prevents them from planning for their futures; that is for the parents' futures as well as their children's.

The comfort allowance for all people on a developmental service pension is \$112 a month. I don't need to tell you that it doesn't go very far. A tube of toothpaste costs \$4. It barely covers their needs, not to mention transportation. It's used up pretty well. As you know, in Toronto a Metropass is \$90 a month or something of that nature.

The people we serve should be able to enjoy normal life experiences such as a movie, a dinner out or new seasonal clothing when necessary. Agencies have to absorb most of these costs as well as costs for transportation and recreational activities.

I have an anecdotal story of a family that talks about their daughter: Daughter AA has lived with her single mother and three siblings her whole life. While AA was in school, Mrs A was able to run errands, housekeep and attend to her other children. When AA turned 21 and left school, she was unable to attend any of the available day programs or residential settings because her autism made her difficult to manage without one-on-one support. As AA became more isolated, she became more aggressive. Mrs A and her other children felt they were in danger and could not provide the complexity of care AA needed. Mrs A eventually admitted AA to the psychiatric ward of a local hospital. Appropriate accommodation and supports in the community are still not available to AA. She continues to deteriorate and lives in a setting that costs almost five times that of a place to live with similar supports in her community. Hospitals are expensive places to live in, as you can well imagine.

Lack of day programs for out-of-school adults: because of the current restructuring of day programs, the Toronto area does not have enough placements to serve every client who needs a day program. Parents must then spend valuable support-at-home funds on private day programs, or their son or daughter does not attend the day programs, resulting in stagnation or reversal of developmental achievements.

School-to-adult transition: the transition from school to adult life has become a major issue facing our clients and their families. We are trying to find creative ways to meet the unmet need. We need specially trained staff to help our clients and their families plan for the future. The restructuring of day programs makes transitions a hurdle for our clients and their families.

Aging parents: many of our clients have parents who are increasingly frail senior citizens and who find it difficult to manage their developmentally disabled children at home. This issue places additional stress on the residential services waiting lists and on SSAH funding.

Another anecdotal story: DS is a 41-year-old man who lived with his 74-year-old father. He needed direct sup-

port in all areas of self-care: bathing, shaving, dressing and toileting. He had nothing to do during the day. His father was unable to get help for him. Mind you, the father is 74 years old. With help through the options program and professional assistance, DS's family put together a care plan. Alternative living arrangements and a day program were found. This significantly improved DS's and his father's quality of life.

Funding for family-parent respite: while some families have experienced increases to their SSAH funding, others are experiencing stagnation in their funding level. With all the other stresses, SSAH funding needs to be increased to provide relief to families who are waiting for residential and day programs. This funding allows families to pay only \$10 per hour for respite, but finding qualified staff at \$10 an hour is next to impossible, as you can imagine.

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Another story: "Special services at home helps me more than any other program because I can decide how and when to use it based on my son's needs. It gives me a real break. I am a single parent of G, a 20-year-old young man who lives at home. His father died of cancer three years ago. I have gone through at least 10 workers over the past two years because I can't pay them enough to continue working with my son. They eventually find jobs elsewhere that pay more. If I was willing to settle for a high school student perhaps there would be some consistency, but my son's safety comes first. He has a seizure disorder and I want to know that I am leaving him with someone who is qualified to assist him under any circumstances."

What issues are our agencies facing? Salary differentials cause staff recruitment and retention problems. Our agencies are also dealing with administrative and infrastructure funding issues and an underfunded Toronto area.

Staffing crises: our biggest concerns are staffing crises. Salary differentials range between 25% and 50% from other private sector agencies. We have many staff who leave to pursue other, better-paying opportunities. It is a vicious cycle: we recruit staff with difficulty as we are not competitive in terms of salaries; we pay for training and employment benefits; staff leave the agencies for better-paying positions. Because of the cycle, our staff turnover rate ranges from 11% to 50% annually, resulting in declining staff-to-client ratios.

The staff we have need administrative and managerial support. No increases in funding have been earmarked for this purpose. Quality assurance and delivery of services cannot be executed without these positions. While we are trying to be creative in how to deal with this issue, including consolidating part-time positions, the long-term requirement is increased funding to meet the needs of our clients.

Toronto is an underfunded area of the province. Staff need higher salaries to live and work in Toronto. The cost of doing business in Toronto is higher because rents are higher and costs are higher than in many other parts of

the province. TDSC members report dramatic increases in energy costs, WSIB, transportation, aging equipment, CPP, EI, EHT—health costs—employer contributions and supervision. For example, long-term disability premiums have risen 19%, extended health care by 35%, natural gas by 60%, transportation by 108%, rent and maintenance costs 181%, WSIB by 343%. These are costs that reduce funds that could be used to support individuals and their families.

I might point out that the nature of our business is to provide care to needy individuals who can't provide the care for themselves. We don't make toasters or widgets. We can't add a quarter or a dollar to the price of our product and thereby increase our revenues in order to continue to provide better care. The best that we can do is reduce the quality of staff and the number of staff in order to keep as much quality care going as possible. We have no other way of raising funds except through our government.

As to who the members of the Toronto Developmental Services Coalition are, collectively members represent 70% of all monies spent by the Ministry of Community and Social Services for developmental services in Toronto. We serve over 6,000 individuals living with disabilities, and their families. We help individuals with developmental and related disabilities to live in the community through day programs, residential services, vocational training, respite, supported independent living and community outreach.

The members of the coalition are, and I'll just run them off quickly for you here: the Meta Centre; the Salvation Army of Broadview Village; CLAS, which is Community Living Alternative Services; the Bob Rumball Centre for the Deaf; the Toronto Association for Community Living; Reena; New Visions; Kerry's Place Autism Services; Surex; Vita; Montage; Muki Baum; the Mary Centre and New Leaf.

That's our presentation.

The Acting Chair: Thank you very much. We have just a minute for each caucus. I think the first one is the Liberal caucus.

Mr Kwinter: Thank you very much for your presentation. We've heard the issue you raise about the fact that the funding is usually one-size-fits-all. It doesn't matter whether you're in Toronto or whether you're up in Moosonee, you get the same kind of funding, yet the costs are dramatically different. Have you made representations to the ministry about that, and has there been any response?

Mr Doto: Yes and no, depending on who you mean. Agencies certainly have. We bring the issue forward on a regular basis. Last week at the pre-budget meetings, I suppose they're called, we made the point. I think it's an ongoing battle, if I can use the term, to get the point across.

We're not saying that it's more difficult to serve people in one area or the other; we're just saying you need to recognize in Toronto how expensive it is to do this kind of work and there has to be recognition of that.

What we're saying is it's becoming a crisis in terms of retaining staff. It's an infrastructure issue and these people need to be looked after. So yes, this particular coalition has only been together a short time and that's the real focus of this: to make that point.

Mr Christopherson: Thank you for your presentation. I think we've heard from at least one group at every stop so it's clearly a huge societal issue that covers the entire province.

I note that you raise the issue of the comfort allowance. I can't tell you how many hundreds of petitions I've introduced in the House talking about that. You don't mention it here but, to the best of my mind, I think it's been almost 12 years since that comfort allowance has been raised. By the time you factor in inflation, it really does next to nothing in terms of what it was originally set out to do. So you make a really good argument there.

Trying to find staff at \$10 an hour: again, we've been told about the frustration of being told, "You can pick whoever you want," but you don't get enough money to really hire anybody, so you don't really get whoever you want and I suspect at the end of the day where you do find someone, \$10 an hour isn't going to buy you a lot in terms of professional services.

Staff turnover: I can appreciate how difficult that is.

The issue of aging parents is one that is getting louder and louder with every presentation. Where are we going to be in five or 10 years if we don't adequately deal with this issue?

Mr Doto: In big trouble. One study recently by one organization indicates that about 43% of the people being looked after at home are being looked after by what you would call senior citizens. You don't need to think too hard about what will happen in five or 10 years. I think that's the whole point here: this is an investment; this is going to cost the government a lot of money.

As we indicated in that document, a crisis is much more expensive than planning for someone. When you suddenly have to look after someone that moment, you're stuck, and that is a very expensive proposition. Never mind the toll it takes on families to deal with that, an individual who gets yanked out of their home because there's no one to look after them and has to be put somewhere where they're not—

Mr Christopherson: Yes. Thank you.

Mrs Tina R. Molinari (Thornhill): Thank you very much for your presentation today. I represent the riding of Thornhill and I'm very familiar with some of the organizations you've listed here that are part of your group. One specifically is the Reena Foundation, which happens to be right in my riding. I've had several conversations with the director of Reena, and through my role as parliamentary assistant to the Minister of Community and Social Services I've also heard from several stakeholder groups on some of the issues.

Certainly the issues you raise here today are very consistent with what we've been hearing all along. The issue over salaries and the need to keep staff and the

turnover—we've heard that for the longest time and responded with the \$31.7 million, which you've also indicated in your presentation went to meet some of that.

As you can appreciate, the challenges are great and as a government and as a ministry, we make attempts to respond to a lot of the issues that come forward. We are moving in the direction of addressing some of those issues. So thank you for recognizing that within your presentation and also highlighting some of the challenges that we have to face.

Just a quick question.

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The Acting Chair: Let it be very quick.

Mrs Molinari: One of the things that comes to me constantly is that some of the parents and families that have children who need services are asking the government to provide them with the funds that they would ordinarily provide to an agency or whatever to provide services so that they can choose how their child is serviced. Have you heard any of that? What are your thoughts around that?

Mr Doto: I'll try to be brief. First of all, absolutely, but part of what we want to do here is to secure the ongoing funding. We recognize that the government has recognized the issue, and we'd like to see the multi-year planning continue and the infrastructure dollars continue.

We see that as an option, an array of service that needs to be available. There are organizations and people who work very hard to understand how that would work. We could certainly provide advice to the government or anyone who is interested in how that could be part of the system. I think if you look at that as the only option, you might have some problems, but if you look at it as one of the many tools or one of the many options available to families and organizations in meeting the needs—we do look at what's best for families and what's most cost-effective, so we do hear that, absolutely. Families also really struggle if you leave it up to them entirely. I don't have enough time to get into it, but I'd be happy to discuss it with you at length.

The Acting Chair: Thank you very much for your presentation. We're sorry to cut you off short.

Mr Doto: It's quite all right. Thank you very much.

The Acting Chair: A minute for questions doesn't leave a whole lot of time. We apologize for the time constraints.

DAVID CHAMBERS

The Acting Chair: The next presentation is David Chambers. Welcome, Mr Chambers. If you would have your seat there, and if you would introduce yourself for Hansard. You have 15 minutes for your presentation that we've set aside. At the end of your presentation, if it's not all used up, we will divide that equally among the three caucuses. Hopefully it's longer than a minute, and that way we can try to keep it within those minutes. The floor is yours.

Mr David Chambers: Mr Chairman, thank you for this opportunity. My name is Dave Chambers. I am a

retiree from the teaching profession. The last 25 years of my career were spent in administration in the counties of Peel and Simcoe. At present I am in my second term as trustee for the north end of Simcoe county, an area that includes Midland, Penetanguishene, Tiny township and Wasaga Beach. I am here on behalf of the ratepayers and parents of that area, and indeed those of all north Simcoe, to express concerns regarding the educational funding formula and its potential effects upon small rural schools and their communities.

North Simcoe is a large rural area comprised of towns, villages and farmlands. The schools in north Simcoe are not new. A number were built during the population boom of the late 1950s and early 1960s. Many are much older, but all are fixtures of their communities. To visit most of these schools is to visit the history of this county. You will see names and pictures of parents, grandparents and great-grandparents who attended the same school. In most cases, these schools are much like the churches of these same communities: they are community institutions. In some ways, because the schools are used by and are viewed as belonging to everyone in those communities, they are even more meaningful to their community.

The present educational funding formula puts these schools at risk. Without changes to the formula, some of these schools will be closed.

The educational funding formula calls for 364 full-time elementary students to generate one full-time principal, 769 students to generate a full-time librarian, 272 students to generate one full-time secretary. This means that to have equity in resources and staff, an elementary school needs to be approximately 450 students. The average size of elementary schools in north Simcoe is 332 students. Over 90% of north Simcoe elementary schools and 63% of Simcoe county elementary schools do not meet this break-even point of 450 students.

Boards of education are funded with the expectation they will distribute staff and resources equitably among all schools. This premise is based upon the assumption that in every board there is a balance between the number of large schools and the number of small schools. My preceding comments clearly indicate that in Simcoe county, the premise upon which this part of the educational funding formula is based is flawed. The imbalance of large and small schools in Simcoe county is exaggerated by the combination of student population decline in the north, while in the south of the county there is student population growth, all of which is complicated by the geographical distance between the north and the south of this county.

The existing formula, intended to provide equity, in actual fact discriminates against the small schools of north Simcoe. It amazes me that the demand for school space south of Barrie can affect the status of a school 50 miles to the north within the same board. However, that is the reality of our formula.

Since the Simcoe County District School Board has more small schools than large ones, it is faced with decisions, as are other boards, that are negative both to

education in general and to small communities in particular. I am using the example of elementary school librarian funding to demonstrate the problem.

The Simcoe county board could, as I believe some Ontario boards have done, apply the formula as it reads and simply lock up libraries for whatever portion of the day the formula does not provide librarians in our smaller schools, thus making sure no student in a small school has the opportunity during library downtime to explore the world of books, hardly an appropriate decision to be made by a board which values reading. The other consideration is to close our small schools in the north and bus students to a centralized super-sized school, which because of size would qualify for a full-time librarian.

I am opposed to both choices. I believe you should be as well. Nor is it appropriate for a province which claims to value equity of learning opportunity to place boards in a position where they must consider between two bad decisions, both of which discriminate.

The closing of a school has a traumatic effect upon a community. When the school being closed is the only school in a community, it is devastating. Most of the reasons for this are obvious, and I intend to only touch on one aspect of this. It is short and it is simple. The greatest resource to a school is its parents. When we close a community school, we potentially deprive the school, and thus the children, of that resource.

Each of you has a local school, be it rural or urban. I ask you to consider your community without that school. I will provide a specific example. Mind you, I expected Garfield to be here; Garfield Dunlop is my local MLA.

The Chair: He was here.

Mr Chambers: Yes. He is a man that I respect. He comes from the village of Coldwater in north Simcoe. Coldwater elementary school does not have enough students to meet the break-even point. So I ask you, if the Simcoe County District School Board had to close that school and put the children of Coldwater on buses to another community, would the parents of Coldwater agree with our funding formula?

Unfortunately, there is reality to such a scenario. In 1999, 73 schools were closed in Ontario; 86% of these schools had fewer than 350 students. In 2000, 59 schools were closed; 97% were under 350. In 2001, 111 schools were closed; 81% were under 350 students. I remind you that north Simcoe has 332 per school.

Ladies and gentlemen, I believe this part of the funding formula needs to be revisited and fixed to accommodate rural Ontario. I offer to you my opinion as a retired professional that super-large schools are not always better, that in rural Ontario they bring with them dislocation of students and their families and have the potential for diminishing returns to students.

Research from the United States is quite clear. Some excerpts from that research are: smaller schools raise student achievement; smaller schools reduce incidents of violence and disruptive behaviour; smaller schools combat anonymity and isolation; smaller schools increase

attendance rates; smaller schools increase parent and community involvement.

I think you must ask yourselves, if a rural school is closed, what length of time is it appropriate for young children to be on buses? In north Simcoe we already have some secondary students being bused for an hour twice a day. A formula that forces school closings is saying that two hours of travel a day is acceptable for five- and six-year-olds. I think not.

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My comments have concentrated on elementary schools, but the issue is the same for secondary schools. I suggest that if it is distressing that a community loses its school, it's also sad if a community is unable, due to the formula, to have a school. Wasaga Beach is a community of 15,000-plus people. It's a community that desperately wants to have its own secondary school. They do not want to continue to bus their teenaged youth out of their community to secondary schools in smaller neighbourhood communities. They do not want to be the source of one of these schools closing. They feel, and have suggested to me, that there is only one way they can retain their youth, and that is for the separate and public boards to cooperate in the building of an integrated building. They are willing to make financial contributions to such a building. They are not willing to do so with one that has duplication of classrooms and barriers. Until there are provincial guidelines for such a venture, I suggest the citizens of Wasaga and other rural communities will be subjected to watching turf wars between boards, instead of realizing their community school. The reason for mentioning this is to focus on the fact that a provincial Legislature needs to think differently and to enact legislation that recognizes the needs of rural Ontario.

Ladies and gentlemen, the purpose of this presentation was to convince you that small rural community schools should not be closed and that, as a society, we need to support our rural communities by funding local schools. You are about to start your budgetary deliberations. I beg you to review this part of the educational funding formula, on behalf of north Simcoe and rural Ontario. Thank you for this opportunity, sir.

The Chair: Thank you very much. We'll have time for one question. We have about two minutes. Mr Christopherson, you're the one.

Mr Christopherson: Thank you very much for your presentation. Just on your last point first, that you're concerned about watching turf wars between boards instead of realizing a community school, I would just caution you with experience that you spark not only the potential of a turf war but a religious war. I know of what I speak. In Hamilton, when I was an alderman in the 1980s in the east end, Winston Churchill was blazed across the national news. It was ugly.

Mr Chambers: I remember it well, sir. But I think to serve communities, we have a need to look at the box differently.

Mr Christopherson: I appreciate that. I'm just saying that it's not as easy to look at these things as just strictly

financial matters or pragmatic matters. Once you bring religion into it, you've got a whole different issue. That's all I'm raising. Just watch where you go when you raise those kinds of issues, because they're not just about bricks and mortar.

Mr Chambers: Absolutely. My comment is for people. I happen to represent Penetanguishene as well. It already has two secondary schools, and there's a probability of a third being built. It has a population of 8,000 people. Wasaga Beach has a population of close to twice that, with no secondary school. I think my point's made.

Mr Christopherson: Agreed. Your point's well made. I'm just talking about the one potential solution—a caution.

I understand how you feel about the small schools. We went through this. Yours is an interesting perspective, because you've sort of been on both sides—two sides out of the three, if you add administration as a third side of it. I want to know how you feel about the fact—if it's happening in your community—whether you're the one, you and your board, taking the heat for the potential school closures because you're front line. One of our concerns all along is that the government brags about their balanced budget, but they get there by passing off their deficits down to municipalities, school boards, hospital boards and other community agencies that are suffering. We hear them come here to the table. Then they go around, prance about and say, "We're wonderful. We balanced our books." In the meantime, other people are doing their dirty work and taking their heat. Are you finding that? Are you taking heat for these school closures, or is there recognition by your constituents that it's the funding formula and, therefore, the government?

Mr Chambers: We will take heat for it. We'll take heat if a child cannot read, and that child gets an attitude. There's a gap in that child's knowledge. That child is then a potential dropout from school. That child is then a burden to our society as a whole. With that child, then, we start a cycle of early pregnancy, welfare, unemployment. The children from that early pregnancy start the cycle again. We need to break that, and we may be able to break that by short-term funding that has a long-term objective for the future by funding small schools.

Mr Christopherson: Agreed.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

CITY OF BARRIE

The Chair: Our next presentation will be from the city of Barrie. I would ask the presenters to come forward, and if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Mr Jim Perri: Thank you, Mr Chairman. My name is Jim Perri. I'm mayor of the city of Barrie. To my left is our city treasurer, Mrs Sharyn Ross, and to my right is the commissioner of corporate services and the city clerk, Mr John Craig. I believe you all have in front of you our presentation.

First of all, as mayor, I would like to welcome you to the city of Barrie. You've picked a good spot to be in and you also brought some good weather today. Thank you for the opportunity to comment on our opportunities, plans and strategies for prospering in the 21st century. We did have a slide presentation we were going to show you, but we don't have that, so you have it in front of you. The slides are there.

The city of Barrie is a regional service centre and it serves as the heart of central Ontario. In the past few years, the city of Barrie has experienced dramatic growth. We are no longer the small town we once were. The city has grown to an approximate population of 120,000, and each year 6,000 people make Barrie their home. We are the regional centre and, as such, we are the employment centre for the Simcoe county area. We are proud to have the Royal Victoria Hospital, Georgian College, a state-of-the-art water pollution control centre and a strong and vibrant service sector. Our economic retail sector goes all the way from Sudbury and basically to North York, and it's very strong. We probably have more retail commercial square footage than anything north of the city of Toronto. People are amazed at how big our commercial retail centre is for a population of 100,000. But remember, ours is a large, large catchment basin.

Barrie's prospects: we've given you a chart there just to show you that in 2001, the city of Barrie was ranked as the 23rd largest city in terms of GDP. By 2021, it will be in the 17th ranking, so it's a very fast-growing city. But constraining our boundaries will limit our future economic development opportunities and will result in urban sprawl in our surrounding townships and cities, which will in turn have serious effects on the environment. And with a limited supply of land for growth, affordable housing will be lost. That's one of our major concerns, by the way: if the city is not allowed to expand, the housing crisis in this municipality will skyrocket.

As you can see in this chart, Barrie is no longer the small town it once was. Barrie has grown dramatically in both population and GDP, and it is projected that this growth will continue. As you can see, the city of Barrie is now competing with the likes of Windsor and St Catharines.

The next chart gives you an idea of growth for the next 20 years. This is a provincial study that was done. Local, provincial and national forecasts continue to indicate that the greater Barrie area is among the most rapidly growing communities in Canada. The city of Barrie recently commissioned a local government restructuring study to look at the issue of how to manage growth in this area and how to reflect the current realities of our growing community. This issue is not only a regional issue, but a provincial issue. Allowing for the expansion of the city of Barrie would be beneficial to the province, as the city of Barrie could take continued growth pressures off the greater Toronto area.

The chart in front of you comes from a study called the greater Golden Horseshoe report. In that, it indicates

that from 2001 to 2021, the metro area will be growing at a rate of 90,000 people a year, the Ottawa-Carleton area will be about 13,000 people per year, and then Barrie will be third in the provincial growth forecast at roughly 7,900 people a year. Then way below that you'll get places like London and Kitchener, at around 4,000. You're talking about a very massive growth rate in this area, so the city does require expansions in its boundaries.

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There are risks of doing nothing. If we are not able to expand our boundaries, growth in the boom period will be reduced in the Barrie area. Development in Barrie has reduced some pressures on the GTA to further develop. This will not continue. Development will continue on the fringe, but these communities do not have the capacity to service this sprawl as it grows in their area. Provincially mandated requirements to maintain a 20-year supply of land for growth will be breached. Smart Growth principles—that is, strong economy, strong community and neighbourhoods and a clean, healthy environment—will not be met.

All this of course comes to what we call fiscal challenges. The city of Barrie and municipalities in general need provincial assistance to address the transfer of responsibilities in order to be economic engines for provincial prosperity. The province should develop a province-wide economic development strategy and provide assistance to the local level in attracting and retaining key industries to our communities.

As a result of the local service realignment, municipalities are experiencing increased costs for social housing, police services and social services—including child care—land ambulance and hospital expansion. The Royal Victoria Hospital is in need of expansion, and the hospital is hoping to build a cancer care centre to serve this area. In an attempt to address some of these issues in particular, the city would like to suggest the government reintroduce the hospital component in the DCA charge for hospital expansion.

Just to give you an example, we were looking at our budget preparations for this year, and 42% of the city's operating budget in 2002 is controlled by appointed commissions or boards. We will not have as a municipality, as elected officials, the ability to impact on 42% of our operating budget. We're talking about child care services, social services. People are going to submit a bill to the municipality to the total of 42%, and whatever increase they want, we've got to pay. In a democracy that's wrong, folks, because the elected people should be the ones who decide, but in this case, through provincial legislation, appointed commissions and boards are now going to dictate 42% of the budget in our city. Some of these groups, some of these authorities, are coming up with increases of over 42% in their budgets from us, and we have no option but to pay them. These are the kinds of financial challenges with which we're being faced.

Transit and transportation issues have come to the forefront as a direct result of our population growth.

Consistent with the provincial government's Smart Growth policy, the city of Barrie has been actively pursuing the return of commuter rail service to Barrie. With approximately 30% of our labour force commuting to work outside of Barrie each day, it is critical that alternative forms of transportation be available for our citizens. Providing commuter rail service would help to reduce smog, improve our environment, reduce gridlock on the highway system and improve the quality of life of our residents who commute long distances to work each day. For example, the city of Barrie has purchased the old CN line from Bradford to Barrie to protect it, hoping that in the future—of course now since the province has taken over the GO system—the province will assist us in the return of GO to the Barrie area.

We don't object to the province looking at the study for the 400, because that's a proper road to project and to plan for the future. We do have reservations, though, about concentrating their plans on the roads. We believe that they should look at a combined transportation network of highway, rail, all kinds, and not simply concentrate on the expansion of highways. I must thank the province, because they did help the city to purchase the old rail. We're hoping that they will continue. Our local MPP, Mr Joe Tascona, is working very hard to try to bring GO to Barrie, so we would like to make that public and support all his work in terms of that avenue.

In addition, in our area there are other transportation issues that need to be addressed in order to reduce congestion and gridlock in our highway system. Numerous transit studies are currently underway. They're examining options for Highway 400 expansion through the Barrie area, expansion of the park-and-ride lots and improvements to various interchanges throughout the city. The road network through Barrie has additional demands, to the point of gridlock, on weekends throughout the year for cottage traffic and traffic to the ski hill. This standstill on Highway 400 each and every weekend desperately needs to be addressed.

In addition to the funding announced last September for transit in Ontario, it is suggested that you consider sharing the gasoline tax for the purpose of transit and highway expansion. It would certainly help municipalities.

We did not make this a long presentation because we felt that it's important that you look at some key areas. I'd like to thank you for the opportunity to discuss these issues with you. As always, we look forward to continuing to work with our government to ensure a prosperous future. Certainly I and my colleagues are here to answer any of your questions.

The Chair: Thank you very much. We have three minutes per caucus.

Mr Hardeman: Thank you very much for your presentation. The first item I'd just like to ask about, to make sure I understand it, is the 42% that's spent by agencies, boards and commissions in relation to the joint services with the county around you.

Mr Perri: In our area, the province gave the county the social service component. As you know, we don't

have representation in the county. We're not part of the county. We are an independent, separated city and we have no say-so in how things are developed. The police services board submits their budgeting, and yes, we could challenge it, but I've been on the police services board for many, many years and I don't know of any municipality that's ever successfully challenged the police.

Mr Hardeman: Being on the board, then, you would never advise council to challenge the budget anyway, would you?

Mr Perri: Oh, yes, I have.

Mr Hardeman: I guess the question really is that that may be a situation that's somewhat unique to Barrie and south Simcoe because of the single tier for Barrie.

Mr Perri: Certainly in the social services, but you have, for example, conservation authorities whose budgets have been reduced in terms of provincial grants and so on but they still have the same mandate. In fact, in today's environmentally conscious society, they're becoming more and more important. Their role is increasing. They still need the same amount of money, if not more, money, but since their provincial grants are basically gone, we're the ones who have to pick up the bill. So one authority is proposing something like a 44% increase. Again, we don't have an option.

Mr Hardeman: The other question relates to the growth pressures. Your presentation is quite impressive on the speed of growth, the rate of growth in Barrie and the surrounding area and the need for further investment in infrastructure to support that growth. But somewhere in this equation isn't there supposed to be revenue from the growth to pay for the growth? I was a municipal politician for 14 years. The argument was always that you shouldn't have growth for the sake of growth. If you can't make it work for your community, then you shouldn't be encouraging it. Are we doing that?

Mr Perri: The city of Barrie does not encourage growth. The fact is that the growth is occurring. It's part of the greater Toronto area, whether we like it or not. People are coming. Our municipality pays a hefty price for growth; they do pay their own way. But it's coming and we can't stop it. And I don't think we should be. I think we have a responsibility to the population that's growing in our province. We as a nation accept 400,000-some-odd immigrants. Most of them, 60%, come to the Toronto area. We get our fair share of that, as well as we get our fair share of the people who move out of the greater Toronto area. Whether we like it or not, it's happening.

Mr Hardeman: Could I ask one—

The Chair: With that, Mr Hardeman, I have to go to Mr Phillips.

Mr Phillips: Thank you, Mr Mayor. It's a challenge. It is a rapidly growing community. One quick question: is there any talk of toll roads coming up this way at all?

Mr Perri: I hope not. I have heard that the province is looking at toll roads on the 400-series highways. We would have great reservations on that, because our economic lifeblood is the 400. We would be negatively

impacted. Industry would not be looking favourably to tolls on the 400.

Mr Phillips: Just a comment: the government put out last week, I think, their SuperBuild brochure, which you may or may not have seen. It talks about users of the 407 being so enthusiastic in their acceptance of the toll road that it may set the pattern for the development of other high-speed, high-traffic toll roads in the province.

1150

Just to alert you, the Ontario Trucking Association yesterday sent a fairly stiffly worded letter to the government saying that the trucking industry "is extremely displeased with the exorbitant tolls rates and poor customer service" of 407. "I suggest that it is inappropriate for the government to be trying to make the case that 'commercial users are becoming enthusiasts'" of the 407.

"It is our strong opinion that the Highway 407 model should not be repeated." For many truckers, "exorbitant rates ... will make it uneconomic for truckers to use toll routes."

They quoted a woman who was using the road as an enthusiastic supporter. The numbers, though, say that she pays \$720 a year on tolls to drive 12 kilometres to work each day. I just warn the council to take a good look. If the 427 extension is dependent on that, you may want to look at it.

My question is on your local services realignment. When that was done, it was called downloading by many. We in the opposition call it downloading. It was supposed to be at least revenue-neutral, if not helpful, to the municipalities. I think with the dropping numbers of people on social assistance it perhaps has been beneficial. Are you now seeing a reversal of that in any way? Are you starting to see any of the costs that have been put down on you turning around at all?

Mr Perri: From our point of view, our concern is more in terms of our inability to control it. We don't necessarily feel that there's an imbalance in the downloading on that issue at all. Our concern is that we don't control it. It's another government that controls it and we have no say-so. That's our problem and our concern.

Maybe in other areas the downloading has not been revenue-neutral. On this issue we don't have a problem with the figure. We have the problem with how it's arrived at and we don't control it. They can ask us for a 17% increase and we have to pay for it. That's our problem.

Mr Christopherson: Thank you, Mayor, for your presentation. By the way, I'm very impressed with your promotional material, particularly your business card. It's nicely done, and I think the fact that you got it done in Braille says a lot. I wanted to mention it.

Mr Perri: Thank you, sir.

Mr Christopherson: Help me out here. The downloading was devastating on a community like mine, Hamilton, because we didn't have the same growth. Sometimes I listened to the other mayors nearby—Markham, Oakville, Mississauga. A lot of the damage

that was done through the changing of the alignment of services and funding is offset in those communities by the phenomenal growth rate, just incredible increases in their revenue, which helped paper over some of those. Has your growth afforded you that same opportunity?

Mr Perri: Yes, it has. We're fortunate. The city is growing. The city has established a lot of and is expanding on its commercial retail areas. We've done well.

The realignment has impacted on us quite a bit because it means that we're providing more and more services and we're paying for them. It has impacted on us in that we can no longer try to retain a 0% tax increase. We have to have increases.

It would be nice if the province would get back into helping municipalities with more grants. I'm on the police services board. We get more and more requirements and standards imposed on us. That means that the police services budget, for example, is almost 26% of our operating budget. However, we've been lucky. We can meet it. We're a good municipality along those lines and we've been able to cope with the growth. The growth helps to pay for it. A municipality that isn't facing growth probably would have great difficulty.

Mr Christopherson: We are.

Mr Perri: We're not.

Mr Christopherson: That's good. That's fortunate for you.

If I have time, I note that in your economic projections, based on GDP ranking, you're 23rd in Canada right now and you're going to jump to 17th. That's a huge increase, based on GDP. Is that to suggest that the kind of business and the kinds of residents you'll have will be higher-income, as per Burlington, Oakville, Mississauga, or is that just a reflection of the massive size of the actual growth in the local economy?

Mr Perri: It's quantity.

Mr Christopherson: What about things like intensification? It's mostly a Toronto issue, but is it something you're looking at?

Mr Perri: In terms of residential development, the intensification is higher than in the average city in Ontario. We have a lot of townhouse development, a lot of multiple residences, in our subdivision.

Mr Christopherson: Sorry, brownfields or greenfields, Mayor?

Mr Perri: Greenfields. In terms of brownfields, we do have others in our shorelines. We have old sites that used to be factories that are now condominiums. We're trying to meet the Smart Growth principles of intensification and so on. We are there. We don't have subdivisions, for example, of all single-family homes that are on 50-, 60-, 70-foot lots. We have subdivisions where the biggest lots are about 50 feet and the rest are 30 feet.

This city has adopted Smart Growth because we truly believe in it, regardless of what political party is advocating it. We think it's good for the environment and it's good for the province, so we endorse it. It used to be called "sustainable development."

Mr Christopherson: Very impressive, Mayor, both you and your presentation. Thank you.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

Mr Perri: Thank you, sir. We appreciate your holding the meeting here in Barrie and giving us the publicity. Please come back during the summer. You'll enjoy the municipality.

SIMCOE MUSKOKA CATHOLIC DISTRICT SCHOOL BOARD

The Chair: Our next presentation will be from the Simcoe Muskoka Catholic District School Board. I would ask the presenter or presenters to come forward, and if you could state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Kevin Kobus: Thank you, Mr Chair. I'm Kevin Kobus, director of the Simcoe Muskoka Catholic District School Board. With me today I have Catherine MacDonald, who is chairman of our board, and Trustee Maura Bolger is also in attendance.

Thank you for giving me this opportunity. We're a school system of about 22,000 students, 50 schools and a budget of about \$139 million. I've chosen to focus on six areas. Recognizing that you have been consulting around the province for many days now, I will try not to belabour some of those points that you may have heard elsewhere. I'm speaking largely to the white handout in the package that you have. The six points in my brief will deal with special education, textbooks, compensation, multi-year agreements, professional development for teachers, and the controversial class size issue. I've also included in the package a copy of our board's five-year strategic plan, just to provide some background for my comments.

In the area of special education, I expect that you've heard this point across the province. I simply wish to reinforce some of what you've heard with a little bit of specificity, so under the area of special education, just a few general comments. The process that boards must go through to get funding is too cumbersome, too criteria-driven and too labour-intensive. We believe there is already an indication from this government and a commitment that they will look at a new model and revisions to the process. We do look forward to those changes.

There are five particular points that I would draw very briefly to your attention. The process itself actually robs the classroom of valuable resources and this contradicts the basic philosophy of special education. By that I mean that we have to pull people away from student contact in order to do all the bureaucratic submissions we must do to justify our grants.

The second specific point has to do with the criteria for submitting a claim. Again, they are very restrictive and quite inflexible. There are situations that do fall in the cracks, where an ISA claim is turned down simply because of the rigidity of the process.

A third particular point, still under special education, I have entitled "Administrative Complexity." This is very much of a chicken-and-egg type of situation: in order to get an ISA claim, we must document that there is a support that's in place. However, we don't have the funding to put the support in place in order to document it, so there are students whose needs simply are not being met.

It's ironic that I'm following the mayor of Barrie and this whole concept of growth. In our particular case, since 1998, which coincidentally is when I started as director in this area, we've opened 10 new schools and have put on five major additions. Obviously, within the group of new students there are many students with very high special needs. However, we are still funded at 1998 levels. Overall in the area of special education, we are spending hundreds of thousands of dollars to provide service for students and we are not receiving any funding for those new students.

1200

The last aspect, still with special education, is the concept of portability. If a student arrives at the door in November, namely after the October 31 count date, then we must provide a service right away. Normally that would involve putting an educational assistant in place, but we do not receive any ISA funding for that until September 1 of the following year. If you use \$30,000 roughly as the cost of an educational assistant for eight months, that's a \$24,000 shortfall we're automatically building into our budget.

Those were just general comments on deficiencies of the current approach to special education. Administratively, we've been dealing with ministry staff to try to reinforce some of the more technical aspects of that area.

I'll move on quickly to textbooks as the second of six issues. The particular emphasis I've chosen for example here is grade 11. In 2001-02, ministry funding for grade 11 textbooks only provided sufficient funds for the cost of mathematics, science and English textbooks. Obviously students are taking a range of courses, so school boards were forced to look elsewhere for sources of funds for textbooks in those other areas. It's particularly significant to deal with grade 11 this year as they are that first group of the new cohort. Many feel that they are being disadvantaged in some ways by being in that first cohort. We feel the provision of textbooks for all grades, especially for this grade, needs attention.

In the somewhat controversial area of compensation, I would like to draw to your attention a few points from our perspective, and that's the perspective of a school board that spends approximately 75% of its revenue on salaries. That should come as no surprise, as education in itself is a very labour-intensive process. We are an employer of about 3,600 staff within Simcoe county and the district of Muskoka. We continue to strive to reach fair collective agreements within the restrictions of the funding model. Unfortunately, as time goes on, the gap in terms of what we can put on the table for our employee groups and the level of funding is widening significantly.

Inflation in Ontario since 1999 has been running at the rate of about 9.2%, based on information provided by the Ontario Financing Authority, and the projected increase is about 3.1% over the next two years. The funding model we must operate under for the same time period has provided for a wage increase of about 1.95% in 2000-01. Again, this is part of the reason for the gap.

I'll highlight the area of benefits. It is an area that we as an employer are trying to contain. In some particular benefit areas the costs are going up as much as 80%. The 12% provision that's in the funding model is simply inadequate.

The next area I'd like to at least comment on briefly is the whole concept of multi-year collective agreements. As school boards, we are bound to comply with the Stability and Excellence in Education Act, or Bill 80. In our particular case, if I can use our teachers as an example, we have two units that I have elected to deal with and their agreements will expire in August of this year. In order to comply with the act, we must sign a two-year agreement now and then in 2004 we must sign a three-year agreement. Obviously, in terms of trying to put something on the table, we anticipate over the next few months getting the funding announcements so that we know what to do in the first year. However, it's a massive question mark in terms of what we can put on the table in year 2, so very much we're speculating on that level of grant in year 2. That situation will be exacerbated when we have to project out three years.

The suggestion I've incorporated into this presentation to assist us with our long-range planning and effective budget management would be to require some parallel grant announcements on a two- or three-year basis. There should be a minimum guarantee increasing grants equal to the projected inflation rate for the same time period. If this is not feasible, then I would suggest to the government that this particular provision of the act should be removed. It makes absolutely no sense right now to force boards to sign three-year agreements with no guarantee, or no indication, at least, of what's coming in year 2 and year 3.

The concept of professional development for teachers: we've introduced a new provincial curriculum in all grades over the last four or five years and this has placed tremendous demands on teachers' development. The controversial issue again about the number of professional development days is that they were simultaneously reduced from nine to four during a period in which the professional development needs were probably higher than ever. With our growth in Simcoe Muskoka, we face the challenge of hiring many new teachers into the profession who would benefit from development opportunities. Currently, most of the four days are allotted to reporting to parents on student progress, and because of conflicting needs, boards are either not offering professional development or doing so during a regular school day.

Under the model we are currently using, just to throw some numbers at least to the panel, we have 1,176

teachers. If each of those 1,176 teachers was to receive one day of professional development on a regular school day, our supply teacher costs would be \$235,000. If we had those three additional days to work with in which to provide PD, we would not be incurring those supply teacher costs. I do recognize the political sensitivity around that, but the practical reality is that we have so many young teachers entering the profession these days, the curriculum is new and there are changes in society, and we really feel that there would be tremendous benefit in having three additional PD days.

Lastly, before I give a conclusion, the whole class size issue is now very restrictive. The average elementary class size cannot exceed 24.5 students while the average secondary can be as high as 22. We also recognize that parents of our students want smaller classes, but there's obviously a huge cost associated with this goal. Parents also want textbooks in schools. They also want motivated teachers, and I believe they place a very high value on labour peace within education.

This past September 2001 saw the smoothest school opening in recent memory, when the province introduced flexibility, allowing secondary class size to increase from 21 to 22. A change of one student in elementary and secondary collective agreements would translate into approximately \$2.7 million in savings just for my board, which is one of 72 boards in the province. If new money is not going to be available for special education, textbooks or compensation, then I'm suggesting the legislation be changed to allow greater flexibility for boards to establish class size. However, this is not a heartfelt endorsement for larger classes. If it comes down to a matter of choice, our preference is for new and additional dollars for these areas without increasing the size of classes.

In conclusion, we are deeply committed to excellence in Catholic education for students in the Simcoe Muskoka Catholic District School Board. Our vision, which is part of that other document I've shared with you, is, "We are a faith-filled Catholic learning community dedicated to excellence." We pride ourselves on the priority we give to improving student learning in the classroom. We recognize that a long-term commitment to adequate funding for education is fundamental to ensuring continuity of excellence in learning. We're becoming increasingly concerned that the current inadequacy of funding may erode our ability to achieve our vision and our shared goals of providing high-quality education to our students.

We are encouraged by this opportunity to provide input, and are hopeful that our voice will be heard. On behalf of the Simcoe Muskoka Catholic District School Board, I thank you for your attention and for your consideration of this input.

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The Chair: Thank you very much. We have time for one question. Mr Phillips, we have about two and a half minutes.

Mr Phillips: It was a very thoughtful presentation by the director. I want to ask you a question that isn't even

on your presentation. You indicated that you've opened 10 new schools and additions and several others since 1998. Where did you get the funding for the capital for that?

Mr Kobus: The funding is obviously provided by the province. Some of the schools mentioned there would be under the old model and some are under the new model. We've been fortunate to be able to put up schools basically within budget. But over the last two years, as we're looking ahead—because we have a long-term growth pattern—there is creepage into our costs per square foot of putting these schools up. Our sense is that, on a go-forward basis, we will not be able to put them up, based on the current funding model. But we tend to put up efficient schools. We tend to use repeat designs where possible.

Mr Phillips: Do you borrow the money, though—that's my point—or do you receive the money from the province?

Mr Kobus: This is, I guess, one of the huge success stories that we have. We obtain our capital through a consortium called the Catholic School Board Services Association. Our board is actually one of the lead players in that. So when we go to the capital markets for money, we pool our needs with boards such as York, Dufferin-Peel, Toronto, etc. We normally get our capital money at about 35 basis points below what the market would normally provide. That has allowed us to put them up and still live within the money provided.

Mr Phillips: Do you know how much debt there is in that financing authority now?

Mr Kobus: I don't believe there is any. I know they have obtained over \$1 billion in funding through the CSBSA. There's also an affiliate group, the OSBFC. Again, if we hadn't obtained funds through that means, we probably would have put up one less school during that time frame.

The Chair: With that, on behalf of the committee, thank you very much for your presentation this afternoon.

COALITION FOR LEGAL AID TARIFF REFORM

The Chair: Our next presentation will be from the Coalition For Legal Aid Tariff Reform. I would ask the presenter to please come forward, and if you could state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Karen Jokinen: Thank you. My name is Karen Jokinen. I am a certified specialist in criminal law with the Law Society of Upper Canada, so if you came to hear some stuff about family law, I can't give you any, although I have conferred with colleagues with respect to family law, so I hope to at least give you some information.

I know you've already been to a couple of presentations. I'm assuming that you've already been given the legal aid tariff reform business case, so I don't propose to go through it. What I propose to do is highlight a couple

of things from my review and from speaking with colleagues that are, of course, of some concern.

As you are aware, the coalition supporting tariff review is an association of legal organizations formed to try and increase the legal aid tariff. What we're looking for is an increase from the current rate, which is \$67 to \$84, to \$100 to \$125. There hasn't been an increase in legal aid since 1987.

What is interesting to me is the fact that the Legal Aid Services Act, which was enacted by the Ontario government in 1998, shows how this province has renewed and strengthened its commitment to ensuring access to justice and legal services for low-income Ontarians. In other words, we're not just looking at justice for the rich, but also for the poor. The Legal Aid Services Act obliges Legal Aid Ontario to recognize the private bar as the foundation of legal services in the areas of criminal and family law. The family law parts covered are in the case management profile that you have, but examples are single mothers seeking child support from delinquent ex-partners, victims of domestic violence asking for restraining orders, etc.

Mr Christopherson: Excuse me. You made a reference to something we may have. We don't have anything.

Ms Jokinen: I thought from the presentation in Sault—

The Chair: From a previous presentation.

Mr Christopherson: Oh, a previous presentation. OK.

Ms Jokinen: Yes. I didn't think I should kill a couple of more trees and photocopy the business case.

Now, as you're aware, the legal aid tariff for a tier 1 lawyer is \$67 an hour; that's one to four years of experience. Five to nine years is \$75.38 an hour; and 10 years and over is \$83.75. There has been no increase since 1987, and if we would just take the fact that inflation happens year to year, just taking into account inflation from 1987, it would have reached approximately anywhere from \$92 to \$115. By my calculations, if you use the \$115 number and bring it to today, a lawyer who is at a 10-year-and-over level is making, and was making in 1987, \$83.75. Now in 2002, if you subtract that from the \$115 number you come up with the hourly rate of \$53 an hour; and for a tier 1 lawyer who was in 1987 making \$67 an hour, and is today, you come up with the rate of \$42 an hour. And of course, if the rate of inflation was factored in from 1987, \$135 an hour would be your number.

If you actually have a chance to take a look at the legal aid tariff, one thing that you should note is that when professionals are asked to give evidence at a trial they are paid more, basically, at an hourly rate than the lawyers who are conducting the case. For example, a psychiatrist is paid \$103 an hour; a psychologist is paid \$90 an hour; a document examiner is paid \$85 an hour; a pathologist, \$100 an hour; a pharmacologist or toxicologist, \$90 an hour; and a social worker, \$75 an hour. So in effect, the way I look at the situation is, what is this telling members

of the public? That the person who is fighting for custody of their children or who is fighting to ensure that somebody is not wrongfully convicted is making less than the person that you need to use at your trial as an expert witness.

What you also have to look at from 1987 to today's date is that, of course, overhead has increased. Secretarial staff want the cost-of-living increase; technology has increased and in cost; the fees to the Law Society of Upper Canada and the errors and omissions we have to pay have increased. Now they're coming in with mandatory legal education, which in my view it should be in at any event. One course, for example, for continuing legal education is \$187.50 for a half-day. Rent has increased over the past 15 years. Paper, pens—you name it, it's increased.

What you've also seen is that the crowns get paid more. In the last couple of years they've had a 30% increase. In terms of the family side of things, the children's aid lawyer gets paid more than what a legal aid lawyer gets paid. Judges have had increases at both levels. Police officers have as well, and there are more of them. There has been an increase in legislative changes which makes litigation a lot more complicated. There has been an increase in charter challenges. Ironically, April 17 is the 20th anniversary of the charter. And there has been an increase in the number of forms that are required to be used in court. Family law—extremely form-intensive; about three times the amount in 1987. And even in criminal law, because of the rules of the court, we have to increase our paper as well. To make things even worse, there are caps on the number of hours that we can be paid or we can bill for a case.

So all of that makes it an inequitable justice system because what you have basically is an inherent appearance of injustice. You have the professionals, as I've already indicated, being paid more per hour. Our adversaries in family law—it may be the lawyer from children's aid; in criminal law it's the crown—are being paid more than we are. We have caps on the amount that we can bill to prepare a case. With that, in conjunction with the low rates, we simply can't afford a lot of the resources that we need, like continuing education, books etc.

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What you also have, and what will happen and what has happened, is this in turn leads to unrepresented persons in court. So in the long run you have what could be a two-hour trial in criminal court taking six hours. You have an increase of appeals because it seems there is always an appeal if there's an unrepresented person. The judge has to spend an extraordinary amount of time trying to explain to this unrepresented person all of their rights etc. I must tell you that our firm has the contract with the federal government to do the federal prosecutions, primarily drugs, so as a federal prosecutor I see the unrepresented accused running his or her own trial—and it is awful. We are there for a day on something that would have taken two hours and that evidently, if a

lawyer gets involved, will go to an appeal court. So what's happening is that in the long run you're increasing the amount of money that the government is going to be spending. As well, because of all of the factors that I've outlined, it seems to me that the Legal Aid Services Act is not being complied with because, in a sense, what you're doing is denying services to low-income persons by not being able to keep up with, in essence, even the cost-of-living increase.

An example that one of my family cohorts gave me is in a child protection hearing. The children's aid lawyer on staff, as I've indicated, makes more than what the legal aid rates are. Legal aid pays a maximum of 16 hours to do this type of case at these low rates. Few lawyers in Simcoe county will even touch it. They have a very difficult time getting lawyers to do it. This is the children's aid society wanting to take a child or children away from a family. As well, what happens is that there are time aspects that have to be met in that particular case. For example, the parents have to file and answer within 30 days or else the children's aid society apprehend, and then it gets more and more difficult the more time the child or children spend away from the home.

Something I'm more comfortable talking about is a criminal charge. As you're probably aware, there is zero tolerance for domestic assaults. Simcoe county is a little bit of a different type of place because we have a lot of up-and-running satellite courts. So here you are in the city of Barrie, which is central. We have our Superior Court here and we have our bail court here. We have all of the Barrie matters that have been—criminal law, for example, lay charges in Barrie. But we also have satellite courts—we have the Orillia court, we have the Collingwood court, we have the Midland court and we have the Bradford court—four up-and-running satellite courts, most of which also cater to family law needs but equally to criminal law needs. All of the bail hearings come into Barrie court, all of the Superior Court matters come into Barrie court, but the satellite courts operate such that if there are charges in Bradford they continue on in Bradford. So it's quite a big area in terms of trying to meet the needs of people who are charged with criminal offences.

So if somebody is charged with a domestic assault, zero tolerance. If it's a push—and I am serious, a push; I've seen these cases—they go to bail court because of the zero tolerance. They have a right to a bail hearing. Legal aid provides two hours to conduct a bail hearing. Well, we've got basically five courts in one bail court to do bail hearings. That's a lot of time. You have to try and telephone sureties. You've got to prepare your client to testify, if they will. You can't do it in two hours. And how much do you get paid for somebody's right to be released from custody? A maximum of \$170. And then, assuming you either get them out or you don't, before you set a trial date our court rules indicate it's mandatory to have a judicial pretrial. Legal aid allots two hours for that. If the person is in custody, they're now housed at the Penetang superjail, which of course is a distance from

Barrie. Legal aid authorizes us to travel there only twice—so if it's a more serious case, twice before the preliminary hearing.

In the case of a domestic trial, and let's say it takes one day, you are given 10.5 hours for all that—bail hearing, pretrial, going to interview your client and conducting the trial—close to impossible, and at the rates that are indicated in the case study you're already aware of.

With the satellite courts, as I've mentioned, it's even a little more difficult, because legal aid does not pay for a person practising in Barrie to travel to the Bradford court or the Orillia court; it's only if a one-way trip is more than 50 kilometres outside the jurisdiction. So people who have a legal aid certificate and who may be charged with a very serious offence—lawyers are not taking their certificates. They're not going to travel to these courts for nothing. Trust me: we do enough pro bono work.

What you also have, because the number of police officers has increased, is that investigations have increased and more charges are being laid. In my opinion, as a result, people who have called various lawyers in our jurisdiction have been refused legal representation because we simply cannot afford to do it on the legal aid certificate. The number of hours allotted is, in my opinion, pathetic. As a result, they are unrepresented, and once again you get into increased costs, because they are in the court system for a long time.

What you also have to know is that in our county, in terms of family lawyers, few, if any, senior family lawyers take legal aid certificates; they simply won't. With respect to the junior lawyers, they will, but again, not a lot of them will.

In terms of criminal, it's kind of the opposite. The senior lawyers, at least two or three I'm aware of in Barrie, will take the certificates—not all, some—and the junior lawyers tend not to. Eventually what is going to happen is that the senior lawyers will retire, the junior lawyers won't be taking legal aid certificates and nobody will be representing these people.

In 1996 in our jurisdiction—I wasn't here at the time, because I practised in London for 10 years—the Barrie criminal bar refused to take any legal aid certificates. It was effective, except for the fact that lawyers in Newmarket and Toronto came and took the legal aid certificates.

What you have to know is that April 17, as you're aware, is the day we're all getting together throughout Ontario, all the defence lawyers and hopefully the family lawyers, and we're going to talk about legal aid. My hope is that we are not going to agree to take legal aid certificates, because we simply can't be effective counsel on the amount of money that is being paid to us. Basically the effect of the legal aid rate as it stands now is that the Legal Aid Services Act is not being complied with.

The other point I would like to show you: I intentionally didn't pass this out at the beginning, but what I also found interesting is that on January 1, 2002, the

regulations under the Superior Court came into effect, and basically this is what is recommended, or a practice direction. This is what should be paid to the civil bar, I guess; I assume it covers family lawyers as well. The partial indemnity scale is what used to be known as party and party costs, and the substantial indemnity scale is solicitor and client costs. That's what is now recommended that a person can ask for in terms of costs at the end of their case. Now, in criminal law it's not unusual, but not usual, that we would ask for costs. But in civil law, it happens all the time. This is the rate that has been established. You know what the legal aid rate is. Basically, law clerks can ask for more money than most legal aid lawyers would be making.

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A couple of other things I'd like to point out: young offenders are affected by this. If you have a person who is charged under the Young Offenders Act and their family can't afford a lawyer or refuse to go in to be interviewed and they're left on their own, then they have to resort to legal aid. If lawyers are not taking legal aid, then they'll be representing themselves, which is going to take an inordinate amount of time for an unrepresented, youthful person.

As well, we used to have, pre-1996, block fees. With block fees you could, if you were able to schedule things properly, at least not be in a loss situation—let me put it that way. But now it's a straight hourly rate with caps. As a result, there are very few certificates in Simcoe county that have been issued for appeals. To me that seems to be saying that it's not that everybody is making the right decision in our county; it's that people are not taking legal aid certificates for appeals. So there may be some very good issues, but nobody can afford to do them. I think that shows the inequity as well.

Subject to questions, that's the presentation I have for you.

The Chair: We have about a minute and a half. I'll allow one question. Mr Christopherson, it's your turn.

Mr Christopherson: I believe it's actually the Tories' turn. I had one.

The Chair: Oh, I'm sorry. Mr Hardeman.

Mr Hardeman: Thank you very much for your presentation. We've had a number of presentations on this tariff issue through our consultations. There are two issues that come up. One is, what is happening to the individuals who cannot get a solicitor to accept the case because it's not paying enough, and, secondly, how can the government be guaranteed that if they put more money into legal aid or raise the rates, that would solve the problem of getting more solicitors to take the cases? You talk in your presentation about such a disparity. Is there no concern that even if you raised it to a certain level, the majority of the people who do not take certificates today will still not take certificates? So we've done a bit of a job of paying a little better for those who are doing it, but we've not solved the problem at all within the system to make sure the accused have sufficient representation. As you passed out this last

notice, even what you're asking for will come nowhere near any of these rates. If these people can make that kind of money somewhere else, why am I supposed to believe they will come back and take a legal aid certificate, even at the rate you are requesting?

Ms Jokinen: One thing you have to realize about criminal lawyers is that we love what we do. We don't necessarily do it just for the money. But when it comes to a time when we're almost in the red as a result, then, no, we can't do it. If the rates were to increase and we are able to pay our staff and pay the overhead, then, yes. Any criminal lawyer will tell you that.

The Chair: With that, we are out of time. On behalf of the committee, thank you very much.

SIMCOE COUNTY ELEMENTARY TEACHERS' FEDERATION

The Chair: Our next presentation will be from the Simcoe County Elementary Teachers' Federation. I would ask the presenter to come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Ann Hoggarth: My name is Ann Hoggarth. I'm president of the Simcoe County Elementary Teachers' Federation. I welcome the opportunity to provide feedback to this committee for the 2,200 members I represent.

When discussing the budget of this fine province, you cannot do so without prefacing the discussion with what the citizens of Ontario believe are the reasons they love to live here. Very clearly, their priorities are equal access to health care; a high-quality, publicly funded education; clean air; safe communities; and a thriving economy.

Although my members recognize the need to stimulate the economy and in particular to address the needs of small business, the current fiscal policies of the Conservative government have jeopardized the priorities of the vast majority of the public. This government believes it is important to stay the course and continue with tax cuts, which very obviously reward the most wealthy while cutting the social infrastructure to shreds.

The impact of these policies on our communities has been extremely negative, and, for the most part, these hardships have come in good times. If the economy were really to take a slide, how many more cuts would occur to social services to maintain this government's policy of rewarding the wealthy?

It's time for those governing Ontario to strike a balance when composing the budget, whereby the areas of both business and social programs can exist and be viable. The vast majority of citizens of Ontario are tired of living the results of your tax cuts for a bribe of \$200. Tax cuts should not jeopardize the health and well-being of anyone, as they did, for example, in Walkerton.

Teachers are concerned that the cuts to social programs that have been made in previous budgets have disadvantaged the children of this province, the children we teach, more profoundly than anyone else in this province. Because of cuts to social and education programs,

students live in substandard housing, come to school hungry and unable to learn, have few supports in the schools other than their classroom teacher, and must rely on their school communities more and more to fundraise to pay for even the most basic school supplies such as pencils and textbooks. Now more than ever my members are dipping into their own pockets to subsidize what should be a fully funded public education system. Research shows this amount to be about \$1,000 per teacher per year.

My members are particularly troubled about the massive cuts to education. Your propaganda campaign, which was designed to vilify teachers and the work they do, has been able to throw a smokescreen over the real damage you have wrought on the education system. But the citizens are beginning to realize that the motives for your cuts to publicly funded education have nothing to do with what's best for the future of students in this province.

Our children and our grandchildren deserve to have peace and stability in those few years they are in elementary school. In order to be successful, the new curriculum, which we support, needs to be supported by financial resources that make it work. The current funding policy is flawed, and the constant downloading of more programs to school boards that are already cash-strapped is crippling.

Although your government champions the fact that you're now spending more on education than ever before, you neglect to inform the public that there are few allowances in your model for growth or inflation. For example, locally the teacher compensation package has consistently gone down since 1997, from over \$18 million to approximately \$13 million. That spells the loss for this board of about 83 teachers' salaries or \$5 million. The real facts are that the number of teachers employed by the Simcoe County District School Board has gone up by hundreds since this government came to power. Tell me how this government expects us to attract the brightest and best-trained teaching professionals to teach in our schools if there is not money to compensate them fairly? While you as MPPs have voted yourselves raises of 36.6%, you expect teachers to be satisfied with 1.9%. Does this seem equitable? What will we do when there is a great shortage of teachers in the whole of North America?

In conclusion, let me say that the members of the Simcoe County Elementary Teachers' Federation believe that unless there is a significant policy change when this budget is presented, the Ontario we know and love may not be recoverable. Please don't continue to award tax cuts at the expense of the quality of life in Ontario.

1240

The Chair: Thank you very much. We have five minutes per caucus. I'll start with the government side.

Mrs Molinari: Thank you for your presentation today. I must say that it's thoroughly consistent with everything we've been hearing from teacher groups, so I'm not surprised at the comments you made here today.

First, I just want to clarify your comments for the record, and I'll quote: "While you as MPPs have voted yourselves raises of 36.6%, you expect teachers to be satisfied with 1.9%. Does this seem equitable?" No. It's also not true.

Ms Hoggarth: What part is not true?

Mrs Molinari: The 36% raise is not true. We have not voted ourselves a 36% raise. So I would ask you where you got that information.

Ms Hoggarth: I actually got it from my vice-president.

Mr Dunlop: The vice-president is wrong.

Ms Hoggarth: What is the percentage then, please? Could you give it to me?

Mrs Molinari: It's 3%.

Ms Hoggarth: What happens when the new MPPs are elected?

Mrs Molinari: First, let me clarify.

Ms Hoggarth: No. I would like to know the percentage. When the new MPPs are elected, what is going to be the increase in their salary—what percentage?

Mrs Molinari: I'm not sure this is a question-and-answer period. The process here is that I would ask questions. I would be happy to respond to yours, if you'll allow me to continue.

The process that took place for the MPPs' salaries was given to an independent body—

Mr Dunlop: The Integrity Commissioner.

Mrs Molinari: The Integrity Commissioner. I believe all parties agreed to that, with some discussion and some negotiations through that process. The Integrity Commissioner is the one who made the decision what the salaries would be. It wasn't the MPPs who made that decision. I don't know whether that percentage is accurate, as of the next election, but that doesn't mean that those who are here are going to be getting that kind of a raise. So to respond to your question about what that percentage is, I don't know. It's information that I'm sure you could get without a problem. It's all public information.

Focusing on some of the other points that you've made—you talked about stability and having peace. That's something that I think all of us agree on: that we need some peace and stability within the school system. Part of having stability and peace is having kids in the classroom, and having teachers teaching kids in the classroom. One of the ways we're looking at addressing that is by providing multi-year budgeting, so the boards would know what kind of money they're getting and be able to focus on negotiating contracts that are multi-year, rather than a shorter period of time. Because every time there's a negotiation of a contract, it opens the door for some disruptions in the classrooms.

Certainly, there has been a lot of discussion around education. Not everyone would agree with the comments that you've made here today. There are a number of people who feel that the changes we've made in education with respect to curriculum were needed and far beyond the time that—

Ms Hoggarth: I think you misunderstood. I said we support the new curriculum.

Mrs Molinari: I guess we agree on something, then.

The Chair: Question, please.

Mrs Molinari: I don't have any specific questions, Mr Chair. I just wanted to clarify some comments. So if my time is up, I'll see if my other colleagues have anything to add to that.

The Chair: I'll have to go to Mr Kwinter.

Mr Kwinter: Thank you very much for your presentation. You should know that this is our last day of travelling. I think by far most of the presentations that we've had, had to deal with education. Yesterday, I think every single one in the afternoon was on education. So we've certainly received the message.

I happen to agree with you. I think that this funding formula is basically flawed. It's a one-size-fits-all. There is no room for adjustment based on local circumstances. We've heard about it through difficulties with transportation and difficulties with small schools and small boards where, because of the formula, they have to shut down the school and bus their kids for an hour or two hours—all of those problems. So I'm very, very sympathetic to your concerns.

Have some of the problems I've just described impacted on your board, and can you give me an example of some of them?

Ms Hoggarth: Yes. We have had, as I told you, the teacher compensation package in particular, the small schools. I think you just had a presentation from our chair about rural schools. As Mr Kobus from the Catholic board also said, it's hard to stick by the staffing averages when there are small schools. The fact that you're funded on the amount of square feet becomes another problem. In the funding formula it pays enough for a school with some 370 students in it. Anything below that and you're going to have difficulty funding that school. Those are all difficulties. I know our board is working very hard on transportation. They've started a consortium to deal with that, but it costs money to do those kinds of things.

If this had been done a little more gently and easily—let me make it very clear that our members have no difficulty with the curriculum changes, but they do have difficulty with how they are implemented, with lack of resources, lack of time, lack of professional development and the money to pay for it. We implemented a new curriculum and we went from nine professional development days down to four. The board wants to use those professional development days for lots of different things. There are many more things that need to be done in professional development days. Teachers don't have the time or the energy these days to be able to go to a lot of things that are offered outside the school day.

Mr Kwinter: How do you find the testing procedures? Has that presented a problem for you?

Ms Hoggarth: The testing of teachers or the testing of students?

Mr Kwinter: The testing of students.

Ms Hoggarth: My personal belief, and the belief of most of the members I've talked to, is that testing is one way of assessing a student's progress. Many teachers in their own rooms have used some form of testing over the years. It's always been used. The fact that so much money and time is being allocated to this part of the education system I feel we will find out in the future was a mistake.

Mr Christopherson: Thank you very much for your presentation. Let me start with your last sentence, "Please don't continue to award tax cuts at the expense of the quality of life in Ontario." I'm sure you won't be shocked to learn that we've had some business groups come in that continue to make the case that the government should continue with tax cuts, no matter what, that that's the absolute top priority. I don't think we've had anybody from a community that represents a part of our society that relies on government to exist and provide services to citizens who feels that way. Interestingly, there were a couple of chambers that came in and talked about broader issues at least, but the message has got to continue to be driven home to this government. The only way it's going to happen is when their internal polling starts to tell them that there are more Ontarians who don't want the tax cut but would rather have services promoted than receive the tax cuts. That's when they'll change. Until then, as long as they do their polling within the universe of votes they can get—they're not going to get your vote, so you wouldn't be in that. At least that's my sense—

Ms Hoggarth: You never know. I like Garfield.

Mr Hardeman: You're being presumptuous.

Mr Christopherson: Fair enough. But there are those who will not vote for you, just like there are those who will not vote for us. I'm saying within your universe, your polling, as long as it shows that the people who are likely to vote for you want tax cuts, you're going to continue with that. The second that number starts to change, then they're going to get off this mantra and move on to something else. That's really how the political process works at the end of the day.

You mentioned that you've got students who come to school hungry. Is that something that just happens once in a while or is that happening with frequency?

Ms Hoggarth: That happens on a regular basis in many schools. Our board is in the process now of juggling the way we provide special education support in certain schools and they are using a number of indicators. A lot of them have to do with the socio-economic conditions of the students. I would say that 30% of our schools have breakfast programs that are run by a combination of volunteers and teachers. In many cases those schools have noticed that their test results, which everyone around this table is thrilled to promote, have gone up. That has to do with the fact that if children eat, they learn better. The fact that food banks are being used more and more is actually a shame for our society. We have one of the highest standards of living in the world and it's despicable that we have to do that kind of thing in our schools.

Mr Christopherson: You also raised the issue of fundraising. Again, representing the western part of Hamilton that includes the downtown, where we have families with some real challenges and there are some inner-city schools with incredible challenges, you can hold a fundraiser every night of the week around the clock and you're not going to raise enough money to offset any of the real deficiencies because they just don't have the disposable income. If you're lucky enough to hold a fundraiser at a school in Thornhill or Mississauga—I'm serious—or Oakville or Markham, you can maybe do that, you can cover these things off, but why should that be? Why should some student in Hamilton not have a textbook but the same student in the same situation in Thornhill does have a textbook because one's lucky enough to live in an upper-middle-class neighbourhood and they can raise the money? The other one lives in a poor neighbourhood and they don't have it. To me, there seems to be an inherent unfairness to this issue of having to voluntarily fundraise. What's your experience?

Ms Hoggarth: There are definitely "have" and "have-not" schools, and it's kept quiet, although it's public knowledge. The schools that are "have" schools are able to raise money and are in communities where the socio-economic structure is much better. They go about their fundraising. They have individual parents who donate thousands of dollars to the schools to pay for sets of textbooks, to pay for computers, to pay for supplies. Then we have other schools where it just isn't going to happen. Those kids, as much as their parents would love to volunteer and try to raise funds—the community itself doesn't have the funds available. They don't have the extra funds.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Before we adjourn, lunch for the members will be served in the dining room to the right. We're adjourned until 2:30 this afternoon.

The committee recessed from 1254 to 1429.

REENA

The Chair: Good afternoon, everyone. If I can get your attention, we'll bring the standing committee on finance and economic affairs back to order.

Our first presentation this afternoon is from Reena. I would ask the presenters to please come forward. If you could state your names for the record, please, and on behalf of the committee, welcome. You have 20 minutes for your presentation.

Dr George Cantlie: My name is George Cantlie. I'm a parent of a client of Reena's and a board member. To my left is Sandy Keshen, our executive director.

Reena is quite an organization. I came from another part of Canada here 10 or 12 years ago and got to know it, with my son, soon after arrival. There can be very few organizations in Canada that have the reputation of this one in terms of looking after people with developmental handicaps.

We're just short of 30 years of existence. It started in North York in 1973. The clientele are people with developmental disabilities of all ages, principally adults—in particular, older adults—but some children now; I'll mention more about that. Reena is quite a distinct organization, because we actually built, a couple of years ago, an ElderHome for 16 individuals who are coming into old age.

You may not realize it, but people with developmental handicaps age earlier than the rest of us. For instance, most patients with Down syndrome will develop Alzheimer's disease about the age of 55 or so. This is a problem that our particular organization has addressed.

In addition to that, we have a central facility, the Toby and Henry Battle Developmental Centre, which involves helping people on a daily basis, daycare support, and that has been in operation now for almost five years.

We're involved currently in building a children's home for younger individuals with developmental handicaps. A second ElderHome is in the planning stages.

The operating budget of this organization is about \$13 million a year, of course with most support from the government. We're very thankful and we make this point to our representative, Tina Molinari, in particular. The Ontario government has already done a lot for people in our situation, with a five-year funding package of almost \$200 million last year. So we're very thankful for what's been done up to this point.

I mentioned the distinct nature of Reena in terms of having the ElderHome. The other thing that distinguishes us, I think, as an organization in comparison to our colleagues that I should mention is that we're probably the second largest organization in the Toronto area dealing with developmental handicap after the Toronto Association for Community Living.

The numbers, you might be interested, in supported independent living—people such as my son Paul, who's 35 years of age and mildly handicapped. He's in a supported independent living apartment. We have 130 people like him.

We have 100-odd participants in our day programs and about 250 people we're keeping an eye out for in their current home situation. I'll be mentioning more about that.

But the other point I want to make about the distinctness of Reena is that we have been involved in training workers for developmentally handicapped people. We have a big training program that, in fact, in the last year provided almost 2,000 training spaces, 400 of which were used by staff from outside agencies. You might ask, why would we be in the business of training staff people? The answer is, there's a developing shortage of good young people who want to take up this career and there's also a shortage of places for them to be trained. The community colleges are cutting back on their training programs. That's under the Ministry of Training, Colleges and Universities. So this makes us, we feel, a very important and unique organization.

Although we do have outreach to people in the homes before they need to get involved with organizational care,

we do want to make the point that that's an area we want to develop further. We look at it in essence as a kind of crisis prevention and life planning situation. If we can pinpoint well ahead of time people with developmental handicaps who are living at home with their parents, when things are going reasonably well, and knowing what we do about how these people and their families can be affected as life goes by, we want to emphasize that outreach. It's a less costly way of doing things. It's a more organized way. In essence, if you identify people that are going to need more involved facilities later down the road then you can plan for that, plan for your waiting lists and so on. That's going to take a little more support because our ability to fund that sort of program at the moment is a little shaky.

Additionally, one point we'd like to mention is that budgeting is sometimes a bit hard for us because, particularly when you get into this long-term planning and proactive attitude toward helping people, you want to be sure of your funding a little bit further down the road than certainly one year. So multi-year budgeting would be a great principle if it ever came on stream.

I think I'll leave a little time for questions. I've spent about 10 minutes. I'll at least break for questions.

The Chair: OK, then. We have approximately—you're right—three minutes per caucus, and I'll start with Mr Kwinter.

Mr Kwinter: Thank you very much and I'm delighted to see you. Certainly Sandy knows that at one time Reena was in my riding. It's now moved a little farther north but a lot of your constituent clients are still in my riding and I have an interaction with them a lot. They're very helpful. They come into my constituency office, they're really eager to do things, and I just want you to know I think you do a great job.

I was very pleased to hear about this elder program. We had a presentation earlier today by—I want to get their exact name right—the Toronto Developmental Services Coalition. What they sort of identified—and I've had it identified in my constituency office because I represent one of the largest populations of seniors in Ontario. I've had seniors coming into my office telling me that they have developmentally handicapped children who are adults. They are looking after them and they are really frightened as to what is going to happen to them when they're gone.

1440

Mr Cantlie: That's right. The demography is really that often many of the Down syndrome children are from older parents, so if you look at the demography you've got a parent getting into their 80s, late 70s, and they've got a 35- or 40-year-old child. That person is likely getting Alzheimer's because almost every person with Down syndrome gets Alzheimer's, and gets it about 10 years earlier than the rest of us do or are at risk of getting it.

Ms Sandy Keshen: Let me try from another perspective. We have families who have sustained their adult children at home, and given the crunch in the

system at this point in time—and we've been involved as an agency in developing a forum that involves both long-term care and developmental services to look at ways of working together—we have seen families go directly with their adult person into a nursing home or a long-term-care facility, which isn't the place for them. But in terms of partnership, we need to help families stay in their home longer with this person. That's one model, because the same kind of supports needs could be there for both. When they need to enter nursing homes we, as an organization, are now working at building the second ElderHome and freeing up spaces for younger people with the existing housing.

Mr Christopherson: Thank you for your presentation. Certainly we've been hearing a great deal about this issue as we move across the province.

I want to pick up where Mr Kwinter left off and talk a little more about the ElderHome also. The presentation said it's for 16 seniors right now. Is that specifically for the very situation we've just talked about or is this for alternate placement outside the home where an individual, for whatever reason, can't stay in the home?

Ms Keshen: It's a combination. The individuals who have been with us for the past 30 years are aging; they're living longer. The oldest resident is 84. He came from a facility, and certainly we want to continue to work with the individual; he has no family. At the same time, because we were able to stretch resources, we were able to accept people who were 65. His siblings—two other people—were, at that point, taking care of him. So we expanded our ability to resource this population.

The second ElderHome will also have a combination of those who are aging in supportive independent living apartments where those units no longer support them, plus families who now say it's time to have people leave home.

Mr Christopherson: Is it fair for me to assume that doesn't meet all the need?

Ms Keshen: Absolutely. It does not meet all the needs. I don't have the statistics on me, but the form has identified that 50% of our population—people we're currently serving—are going to be over 55 and needing additional support. And that's not taking in the 3,000 people in Toronto who are in need of residential support.

Mr Christopherson: That's existing, that's without the stress and pressure of the demographics, as you mentioned, that are marching along exacerbating this. It seems to me that we're in serious trouble now, but if it continues it's not going to take long before we're in a crisis situation with individual family crises happening all over the place. Is that your sense?

Ms Keshen: Absolutely, and I think the proactiveness George talked about—when George says "patients" I want to nudge him because in our system it's "individuals," "residents." But George is a doctor, so I have to forgive him for that; otherwise he'd get a nudge.

It is a crisis. It continues to be a crisis for families in the system. George's comment about early intervention and planning with families—we can sustain families

longer if we move in earlier and do not use all our costly resources for residential. Families are important, part of our planning. Reena has always had a belief that we have a partnership with families to sustain. We want to not move in and take over.

The two ElderHomes, as Tina knows—one is in her riding—were built by private dollars, not government dollars, and our developmental centre was built with private dollars. Our second ElderHome will also be built with private dollars. We're trying very hard to understand the financial crunch for all of us and looking at ways of meeting that.

Mrs Molinari: Thank you very much for coming to present today. I noticed on the agenda that you were here and it's just coincidental that I'm here as well, but it's a pleasure to be here and listen to your presentation. Certainly, Sandy, you and I have had several conversations and have worked well together.

I don't have any specific questions, but I do want to highlight at this opportunity the work that Reena, Sandy Keshen and the board of directors have done to assist the community and the province. Sandy, you talked about the homes that were built with private dollars. The work you do within the community in generating support—not only financial support but also support from the families you serve and support from the communities that have these homes in their communities. I know some of the struggles we endured when it was in the proposing stages, where the residents and some of those issues—I have to say you've done a phenomenal job in bringing all of those people together and getting everyone to understand. Because a lot of it has been lack of understanding and the fear, "What's coming into my community? Who are these people?" You've certainly done an excellent job.

Your training program is certainly one that is to be admired and is an example for all of the province of Ontario. I know Minister Baird was very impressed when he came to visit Reena and talks very, very highly of all of the work you do. When I visited Reena, the other point made by one of your staff was about how the Ontario Works program was doing a great job within Reena, having people who were in Ontario Works coming in and volunteering and, eventually, leading up to positions within the foundation, which was really positive to hear.

So you're covering a large perspective of community social services needs, not only those that you specifically are responsible for or that you're mandated for. I have to say that you're an example for a lot of the other community social services across the province.

Ms Keshen: I get embarrassed by those kinds of comments—I'm blushing—but thank you. I appreciate that.

Mrs Molinari: They're well deserved, and please pass them along to your board of directors as well.

Ms Keshen: I certainly will. I think for us right now the issue is that we are seeing much more involvement with children, and especially children with autism, in partnership with the ministry. Again, we always strive.

We are building a home for children with autism that will have three spaces that are permanent and three spaces that are respite, so we will have 18 families using that house. It was in partnership. We had one donor who gave us some money and the rest will come from the province.

Autism has really increased a great deal, so when we talk about working with families and working with them within the family home, I'm really speaking about autistic children. They are certainly an incredibly emotional and physical drain on families. We can provide them with respite out of home and respite in the home and evening programs. Our battle centre has become a hub of activity. If you ever come, come at 3:30 until about 7:30 Tuesdays and Thursdays, and the place is just full of kids with autism having a wonderful time. But it gives a family a break, and still they're part of the family system as opposed to yanking them out of the home. So I'm promoting what George talked about.

Sorry, I'm going on too long.

The Chair: No, you're doing very well. And I didn't think you were blushing; I thought it was just the reflection from the tablecloth.

On behalf of the committee, thank you very much for your presentation this afternoon.

SHARON BATE

The Chair: Our next presentation will be from the Simcoe County District School Board. I would ask the presenter or presenters to please come forward. On behalf of the committee, welcome. If you could also state your name for the record. You have 20 minutes for your presentation this afternoon.

Ms Sharon Bate: Thank you. I am Sharon Bate and I am the director of education for the Simcoe County District School Board. I did ask to speak as an individual because my passion today is not only as the director of education and the chief executive or education officer of the board, but as an educator. I know as an educator, folks, that it's a dangerous place to be right now, in front of you. It's a Friday afternoon, you have had many presentations or lectures, and it is the Friday before March break. I know as a teacher that is not a favourable place to be, but my message is one that needs to be told and I am really pleased to have the opportunity to tell it.

1450

You will have heard as you've crossed the province—I think it's been eight or 10 days—about the issues facing all educators as they relate to the provincial funding formula. I am pleased that my colleague, who shared six specific concerns in this particular area, is here. Those six areas are ones we share. I have chosen not to necessarily repeat them so we can broaden the issues we bring to your attention.

I work as part of a 6,000-member team of individuals who are committed and dedicated, regardless of what may or may not be in today's letter to the editor, to quality education in our schools. We have 106 schools, for which I work with this team, in a geography that's

larger than Prince Edward Island. That's part of my point today, because I want to present for your consideration that a funding formula based on averages does not meet our needs. You will hear me say that we are too urban to benefit from the rural aspects of the formula and we're too rural to benefit from the urban factors. That has placed us and our coterminous boards among the lowest per-pupil-funded boards in the province, with a gap that is no longer acceptable or sustainable if we're going to keep the quality of education in our classrooms.

Our kids don't come in packages. It doesn't matter how finite or detailed your model becomes, they don't know it, they don't know think they have any reason to come to school in those categories, and they don't. We get the best kids the parents have to send us. They do not look like the provincial average in your formula. We need a formula that recognizes their needs regardless.

You've also heard across the province about the failure of the 1997 costing benchmarks. It has become impossible for us to continue on that basis. Time does not, cannot and will not stand still for anyone. We have found out over the past that it doesn't matter when the benchmarks were set, people expect us to pay the bills in 2002 dollars.

The Simcoe County District School Board has a wonderful reputation. Our trustees in the past have made tough decisions, they've made challenging decisions, and they are cost-efficient and cost-effective. We have been working at the funding formula level, though with greater flexibility, for a number of years. Our trustees in previous organizations maintained among the lowest municipal tax rates this province has experienced. Sometimes, though, the decisions they made were not able to provide the level of service our other neighbours have had.

Today, 25,242 students rode buses. I did check. That is the actual number, including the ones who perhaps left for March break yesterday. That's 50% of our population. In order to minimize our costs in this area and to keep that mill rate low, prior to 1997 the board reduced the number of bus stops, administered longer walking zones and implemented the controversial early start that I know one of our school council chairs talked to you about this morning. An early start, folks, puts kids at bus stops at about 10 minutes to 7 o'clock in the morning. The bus comes and picks them up and takes them to the secondary school. It then leaves that secondary school, having dropped off those kids, and collects, in a shorter geographic distance, a group for an elementary school, and often does that three times. We refer to them as A, B and C runs. We did that so we could save money: fewer buses, fewer drivers and reduced costs. We did this prior to 1997, and now you have penalized us for that.

We're trapped in a funding model that has based transportation grants on what those expenditures were in 1997. Not only are we paying for it in the loss of flexibility, but our school bus operators are paying for it too. We have less revenue to pay them at the rate of some of their competitors. One-time grant enhancements do not allow us to give long-standing commitments to these

members of our community who provide an invaluable service in driving these buses for us.

We're being penalized today because we made tough decisions previously. The boards that hadn't made those decisions are benefiting from the current model, because they're being funded at levels before those economies were taken. There have been slight adjustments for population. But in one case, on one side of the Severn River, that community receives about \$250 more per pupil for busing, and the Bluewater side receives about \$220 more than we receive for busing. We can no longer find economies in other areas of our budget to offset that difference.

I'd like to give you another example, and that's around accommodation. We're not average in accommodation either, because we're one of very few boards that is growing—and Mayor Peri shared that with you this morning. We have an enrolment growth in the south end of our jurisdiction that is among the largest in Canada, while we have schools in other areas that are declining. We receive \$117 per square foot to build new schools and additions. We've had to build 12 new schools and 20 additions to accommodate the growth in the last five years. Once again, 1997 benchmarks don't do it. The cost of construction alone has increased. Our costs for our most recent tendered prices—it is a competitive bid—ranged to \$149 per square foot.

You've heard from many of us, including the presenters just before us, about the multi-year collective agreement. I have a lot of skills in this role. Giving a commitment for three years to my employees without knowing where the funding comes from is not reasonable, nor is it, in my mind, good management. Our secretaries, teachers, principals, custodians—all of our groups—are watching what you're doing right now as a government with our OPSEU counterparts and with your middle managers. We read and hear from them: 2%, 2% and 2% over three years cumulatively. We must have at least what you have found yourself offering these other groups. Without that, you are putting us on a collision course. Our kids deserve better than to be put on that particular road.

The funding formula has us in a Catch-22. I will emphasize that, while parts of it are based on per-pupil, areas of the special grants have set us apart where our needs are not met. An example would be technology. Many boards just have to worry about getting the wiring to the road because the infrastructure exists. This year, our board had to invest over \$300,000 just to start getting the wide-area network pieces to our school doors. Otherwise, we have students trying to participate in e-learning, and it's taking a kid in Collingwood 22 minutes to upload your ministry Web site, because it's a dial-in 56 MGB modem. We had to put up our dollars for that. There were some ministry dollars, but \$300,000 worth of our kids' dollars had to go for that purpose.

We also have the issue of small schools. Some 55 of our 90 elementary schools are below the benchmark that People for Education and the ministry formula say you

need to sustain. Our choices in this matter are not tenable. We either have to close schools or put kids on buses for even longer than our 55-minute limit now. We either have to close or make decisions that will impact our principals, vice-principals and school secretaries to a point where we can't attract them.

1500

I'd like to close by putting on my teacher's hat again, and giving you some math questions for homework. Calculators are allowed, but mental math gets more marks. My question: in 1997, the per-pupil operating grants in Simcoe—

Mr Dunlop: You have the answers, though.

Ms Bate: If you're reading my notes, I gave them to you. There's always a teacher notebook, but we have to pay separately and your formula didn't give us money for that.

Simcoe County District School Board: per pupil operating grant, \$5,785; our operating grant this year, \$6,006. It went up but, if you do the math, only 3.82%.

The cost of living or the Ontario consumer price index—a difference from 139.3% to 152.7%. A percentage of that—you don't subtract—is 96%.

Our teachers' salaries, a 7.5% increase. Compare that to a 1.95% increase in the grants. And \$117 a square foot for the schools we need to build versus the \$149 we are paying our contractors.

My class is over. I know it's even more dangerous to take you past recess. But, folks, we are in a crisis situation. We have managed within the funding formula for years. We have managed efficiently and effectively, but it needs to change. The reality in funding dilemmas we face in our schools needs to be addressed now or we will not be able to continue at the quality level we have in the past.

I'd be pleased to answer any questions, and I'd like to thank you for your time.

The Chair: Thank you very much. We have two minutes per caucus and I'll start with Mr Christopherson.

Mr Christopherson: Thank you very much for your presentation. Am I correct in assuming that in order to meet the needs regardless of the funding formula, if it comes up short, you're taking it from some other program? You're basically robbing Peter to pay Paul?

Ms Bate: Our problem is that there's no Peter left, because we have had a healthy reserve in the past and that is almost depleted. It will not sustain us another year.

Mr Christopherson: Transportation is a huge issue. I know it is in Hamilton. It's one of the big issues and we don't even have a huge rural base to that. We have one, but it's not as big as you've got. What kind of money do you need on the transportation side? What changes do you need in the formula? What kinds of things do you need reflected and considered that aren't now?

Ms Bate: Our parents will argue that the early start needs to be adjusted. If we had done it on current salaries for our bus operators, it would take us about \$2.79 million just to reverse the early start or minimize it. Our contractors have had less than a 3% raise in the last six

years. It now costs us about \$42,000 for a 72-passenger bus. We add about 16 per year for growth. If you do the math, we would need, at a minimum, in the neighbourhood of \$4 million if we were to deliver the service at the current levels and give our bus operators what their counterparts in other parts of the province are earning in their contracts.

Mr Dunlop: It's been a great lesson, Ms Bate.

Ms Bate: Thank you. You're a good student. Sit up straight, Mr Dunlop.

Mr Hardeman: You don't get the results of the test back till next year.

Mr Dunlop: I wish you wouldn't have said that about the buses because I see Alan Smale at the back there.

Ms Bate: I read his magazines very carefully.

Mr Dunlop: Can you make a few more comments on a three-year plan for funding? If you had a three-year plan right now, what kind of requirements would it be in terms of percentages? If you don't feel comfortable answering, it doesn't matter.

Ms Bate: The percentages over the three years I believe have to be a baseline or a range, but the baseline that reflects—our federations would tell us—cost of living is minimal. We need to be able to position our teachers at a competitive level, and our secretaries and engineers. Also, in a county like this we do not have the ability to do much with our pay equity, and it is estimated to be in the neighbourhood of 2% to 4%. We are not at the consumer price index and I would go there as a minimal starting point.

Mr Kwinter: Thank you very much for your presentation. I'm going to quote from an article that appeared in the National Post this morning that said, "Ontario's 72 directors of education have banded together to issue the provincial government an unprecedented warning that they are so starved of money they can't provide a good education to children without running deficits—and breaking the law." You've said that Paul and Peter are no longer there and your reserves are diminishing. What do you do once those are gone if you don't get additional funding? How do you cope?

Ms Bate: In areas of accommodation and principal, vice-principal, secretary compensation, we are going to have to move to closing schools. We are going to have to transport students longer, and that will have a negative impact on them. We are going to have to reduce services away from some of the social services we provide. In a county like this we're often the only agency with psychologists and speech language pathologists who can work with students. We're going to have to start drawing the line for what is a safe environment for students. For students who come to us with medical needs, we are no longer going to be able to give assurance that we can maintain their environment in a safe way for their needs. We are going to have to eliminate some of the high-cost programs, such as technology, broad-based technology as well as the e-learning materials we do.

We're already far below the provincial average in terms of staff ratios and central admin, so I'm not sure

there's a great deal more we can do there. Those are just some of the strategies we're dealing with. Textbook sharing, increasing the amount of support we would depend upon from our communities for consumables, would just be the tip of the iceberg.

Mr Kwinter: I also understand from the representations that were made by the directors that that money is required just to keep the status quo, which is not acceptable, so it really is compounding that problem.

Ms Bate: I agree. In a county like this one where we have youngsters moving in, the needs of the youngsters who move in at JK and in our primary grades are far greater than the youngsters who have those comparable needs moving out at the grade 12 and OAC level. Status quo is going to put us into program cuts and staff reductions.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon. And class is not dismissed here yet.

Mr Christopherson: It is for the teacher.

The Chair: For the teacher but not this class.

Ms Bate: That would be planning time.

Mr Hardeman: Yes, that would be planning time because we don't get March break.

TORONTO DISTRICT SCHOOL BOARD

The Chair: Our next presentation will be from the Toronto District School Board. I would ask the presenters to come forward. On behalf of the committee, welcome. If you could state your name for the record, please, you have 20 minutes for your presentation.

Ms Shelley Laskin: Thank you for allowing the Toronto District School Board to speak with you this afternoon. I am Shelley Laskin, chair of the budget committee. With me are Donna Cansfield, chair of the board; Pauline Ling, vice-chair of the board; and Don Higgins, executive officer, business services.

We have distributed a copies of The Real Costs of Public Education—The Crisis in Provincial Funding for Toronto's Public School Students. Also included in the package of information that you have is the Ontario Public School Boards' Association presentation that they made at an earlier session of the provincial standing committee on pre-budget consultation to demonstrate that we are part of the bigger picture of the decline of educational funding. We just witnessed the end of the presentation of Director Sharon Bate and you will hear echoed sentiments from a very different board but a board that is in a very similar situation, as are all boards across the province.

The Toronto District School Board is entrusted to educate all Toronto students, no matter who they are, where they come from or what they can do. We welcome this duty and are proud of our ability to provide excellent programs to more than 270,000 day school students in the most diverse city in Canada.

Changes to the funding of education have had a dramatic impact on the ability of the Toronto District

School Board and many Ontario school boards to implement the changes to Ontario's education system during the past several years and, at the same time, sustain the quality of education we provide for our students. The underfunding of Toronto's public schools is undermining our ability to continue to deliver high-quality education, to meet the diverse needs of our students and parents and, first and foremost, allow all our students to succeed.

1510

While there have been some increases in provincial grants to the board, they do not come close to meeting the Toronto District School Board's real and actual cost increases created by higher enrolment, lower class sizes and sharp increases in utility, inflation and labour costs.

Even though the Toronto District School Board has made significant cuts in expenditures of \$268 million between 1998 and 2001, the funding formula will force further cuts of \$150 million by September 1, 2003, to the most basic of our educational services: teaching, learning, classroom supports and the upkeep of our schools. This will add up to \$418 million in cuts since the funding formula was introduced.

This funding crisis is not unique to the Toronto District School Board, as I mentioned earlier. The Ontario Public School Boards' Association presented compelling evidence that the education funding model is bankrupting the school systems of Ontario. OPSBA's study, based on school boards' actual expenditure, the same amounts of dollars they have to report to the ministry, shows that the gap between school board revenues and expenditures exceeds \$1.1 billion annually. The study also predicts that half the school boards in Ontario could incur operating deficits this current year.

The funding model is in need of an immediate major overhaul. The most serious weaknesses contributing to the growing financial crisis, both for the Toronto District School Board and a majority of other boards, are the use of averages and the various benchmarks used to generate funding. The following provides a brief summary of these weaknesses and their impact on the TDSB.

The first of these weaknesses is the use of averages in calculating funding to schools. The one-size-fits-all approach may have been the easiest way to allocate funding but it severely penalized the Toronto District School Board due to a number of reasons: the cost of living in Toronto is significantly higher than in other parts of Ontario, resulting in salary and benefit costs that are above average compared to other school boards; unique inner-city needs of the TDSB that are only partially funded under the learning opportunities grant; and higher-than-average school operating costs because of factors such as the age and condition of our buildings.

This weakness contributes to the following funding model shortfall: underfunding of average salaries of support staff is \$27.5 million; support services for inner-city needs is \$30 million. In total, that's \$57.5 million right there. In addition, the underfunding of the board's teacher salary and benefits of 7%, or \$4,500 per teacher,

results in a thousand fewer teachers to support programs such as library, guidance, English as a second language and programs for students with special needs. This is equivalent to denying each and every school two teachers it needs to deliver the curriculum.

The second major weakness is the benchmarks used in the funding model to determine the per pupil formula that boards receive. They have not been adjusted since 1997. The year is now 2002. The funding benchmarks must be adjusted to reflect today's costs of doing business and providing services.

The following are some of the benchmarks that contribute to the board's funding shortfall: \$31.6 million in school operations alone. The most significant component that contributes to this shortfall relates to the sharp increases in the cost of utilities since 1997 of over \$27 million. This erosion in funding is caused by conditions and decisions that are not controlled by school boards. The deregulation of natural gas has caused dramatic fluctuations in prices. The same is expected to occur for hydro rates after May 2002.

Our schools are deteriorating because of the drastic elimination of maintenance to compensate for the lack of funding of utilities. Further, the ability of the board to carry out roof replacements and other major renewal of its schools is restricted by underfunding of renewal requirements by an estimated \$60 million on an annual basis.

Information technology is short \$14 million. The funding of technology is based on 1997 costs and the technology standards that existed in the mid-1990s. The ministry recognizes that the funding is out of date but has failed to bring this critical element of education into the 21st century. OPSBA stated in its report that in order to keep equipment up to date and provide adequate service, an additional \$200 million is required across Ontario school boards.

We're short \$6.1 million in textbooks and learning. Funding based on 1997 costs simply does not provide the funds boards require to supply new textbooks needed to implement the new curriculum in today's dollars. This is becoming a chronic problem across Ontario and is forcing local communities to raise money for core classroom materials.

The \$21 million in benefit costs: the benchmarks for funding the benefit costs in the funding model included government benefits of CPP that are simply out of date. Health care costs have been rising at 10% to 15% per year since the late 1990s and are expected to continue at that pace. Canada pension plan contributions have increased 80%, or \$700, per employee since 1997. For example, the benefit cost for school secretaries is 24% of salary, compared to the ministry benchmark of 18%. The funding shortfall for school secretaries alone is \$3 million.

School office costs are \$12 million. The funding model benchmark provides \$5 per pupil. That's not even enough to pay the cost of telephones, let alone other basic costs of running an office, such as photocopiers and general supplies.

The double-cohort issue of \$7 million: the secondary school reform will result in a significant decline in secondary enrolment for the 2003-04 school year. There are major fixed costs in the school system that do not decline immediately as a result of declining enrolment. The grants relating to areas such as school administration—principals, vice-principals and school secretaries—and school operations must be frozen for at least one or two years to enable school boards to adjust for the enrolment decline. The ministry is examining this issue, but boards must know as part of the 2002-03 general legislative grant release what will happen to its grants so boards can carry out effective planning to reduce change.

The total of these issues represents over \$147 million of the board's projected funding gap of \$150 million. The board can no longer gut its education programs and services to this extent and continue to provide quality education to its students.

During last year's budget process, extensive consultation told us what Toronto residents valued and wanted in their public schools. In response, we have just completed our Need to Succeed budget document, which shines light on the very real problems with the funding formula. It does this by outlining the actual program and service needs of all students, needs they deserve in order to reach high levels of achievement, which is this board's goal and which we know is this government's. But this comes at a price, and that price is more than the currently flawed funding formula provides. Our community wants a quality education second to none for its most valuable resource: its youth. A society which invests wisely and heavily in its youth guarantees itself a bright future in what is becoming an increasingly competitive world.

At this point a funding cut, freeze—stable funding—or a marginal increase in grants for 2002-03 will clearly jeopardize the educational programs and services to support our students' success in school. If the provincial government fails to provide a significant cash infusion for education for 2002-03, the Toronto District School Board will clearly be faced with the choice between cutting student programs or running a deficit or both. In fact, the majority of boards in Ontario will face serious reductions.

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Running a deficit is illegal, but there are few options left to cut that won't damage the quality of education. Toronto students, and in fact the majority of Ontario students, will be in significantly underfunded schools with minimal program options and insufficient staff support. Their opportunity to achieve to their full potential will be at risk. Funding education at 1997 costs is impossible; 1997 dollars simply won't buy 2002 goods, services or student programs.

The Ministry of Education's business plan states that its vision is to offer Ontario students the best education in Canada and that Ontario students will have access to top-quality education. We cannot be clear enough: unless significant investment is made in Ontario's public school system, the ministry's vision will not be met.

We once again offer to work with the government to modify the funding formula so that all of us charged with delivering education can reach our goals.

I thank you very much for your time, and we look forward to your questions.

The Chair: Thank you very much. We have approximately two minutes per caucus, and I'll start with Ms Molinari.

Mrs Molinari: Thank you very much for your presentation. You've covered a lot of areas. It's difficult in this short period of time to touch on all of the things that you've covered, so I'm going to pick just a couple of them.

First, I've heard constantly about the current flawed funding formula. That term disturbs me somewhat, because the funding formula we had for education prior to the new formula was definitely flawed, where it did not provide proper funding for all students in the province of Ontario; it was based on assessment. The Toronto board did not receive any grants from the government before because you were so rich in assessment base, so all the other boards across the province relied on grants from the provincial government, whereas those that had enough residential tax base didn't.

So I agree that the formula needs to be revised and there are some things that need to be done to make it more workable for all the schools in the province of Ontario. That's why I'm pleased to hear that you are willing to work with us in finding those solutions for that. I think the provincial associations are a very good resource to the ministry in providing for that because, as you can appreciate, different boards in different parts of the province have different needs, and when you're trying to come up with a funding formula that is equitable to all of them, it takes time, it's difficult, it's not something that can be done quickly. So I appreciate your willingness to work with us.

The number of issues you've raised with buildings, the buildings that need to be renewed and some other things, the school operations and some of the money that needs to be spent on that—coming from my background as chair of the York Catholic board, which is just north of Toronto, some of the difficulties that we had as well with renewal of buildings, the things that you've listed here—

The Chair: Question, please.

Mrs Molinari: —and that you've talked about are large. These were not created in the last few years with the new funding formula; some of these things have been there for a longer period of time.

I guess my question would be, what of this amount is something that is recent and what is it that could have been done prior to, when the money was there?

Ms Laskin: I'll answer it first and then Executive Officer Higgins can add more information.

First, the context to your question: you're absolutely right, Toronto did have its own tax base and was able to provide the quality of education its citizens demanded of it. When the province took over, it was to create equity, but we didn't expect that equity made it inadequate for Toronto as a benchmark for everyone else.

We used to spend, as a Metro board, close to \$80 million on an annual basis on renewal of our buildings. The government provides us \$38 million. That is why the number of dollars seems so large, because they simply don't meet the upkeep on an annual basis that we are able to provide for our buildings. So they're exaggerated because of our size, but they are reasonable, because that's the amount it takes to upkeep the buildings. That's the amount of money the former boards used to spend.

I'm not saying this argument, nor are we making this presentation, for Toronto only. We have consistently tried to create and use examples that hit all school boards across the province, because we care very deeply about the education across the province. But we can't deny the fact that we are the largest school board. We are one of the most affected, because we had an amalgamation of six into one. We had the ability to provide a level of education that we want to continue to deliver, because our students deserve nothing less.

The Chair: Thank you very much, but I have to go to Mr Kwinter, because we've used all the time.

Mr Kwinter: I'd just like to follow up on that, so maybe you can get a chance to respond as well.

One of the things I remember is that Toronto, when it had its own school board and its own assessment base, would go out and raise the amount of money that the citizens wanted to spend on their education system. I don't think you should apologize for Toronto. Because of its critical mass, because of the diversity of its population base—and not only that, but because of the concentration of support services—people came from all over the province to Toronto, because that's where they could get it. It just wasn't available. So that cost was there.

Mrs Molinari talks about how it wasn't fair. I think it was far fairer than this funding formula, because what it did was it recognized the need. It wasn't a matter of saying, "Let's get down to the lowest common denominator. Let's make sure that everybody is mediocre by spreading the money throughout the province." It doesn't matter whether it's Toronto or it's some other community; if there's a need, that should be recognized. There should be funding to address that need, and not say, "Sorry, but that is not the average." How many people in this room would consider themselves average? Everyone likes to think that they're above average. So it just doesn't work.

The funding formula is basically flawed, because it doesn't take into consideration that we're not all average and all situations aren't exactly the same. There has to be a realization of that. You might want to comment on that.

Mr Donald Higgins: I don't take issue with the previous regime, other than to say that Toronto had its issues, as the MPP just said—and I won't belabour that. But I think on the other side, from the cries that we were hearing prior to the new funding model coming in, other boards were not adequately funded. They rested that on the assessment base and the disproportionate weight of commercial-industrial which Toronto had at its use. Even in those days—and I'll come back to commenting on one

specific item that picks up on the MPP's comment earlier—the funding was flawed before. Because they used to say that the negative grants which the province never collected from the Toronto board—if they had just collected the negative grant from the Toronto board, it would have repaired a lot of the issues of the underfunding of other boards. In the past, the funding model approach was difficult to use to address the issues because of the assessment differential in adjusting grants. The grants could have been adjusted upwards to resolve issues.

The reverse is happening now. Now we've got a funding model that, in the beginning and in its construct, is good. I think most finance officials would say the essence of it is fine; except you can't leave a funding model static after it's created—referring to the benchmarks. They were established based on 1996-97 data, and haven't been touched since. When we look at school operations, just as a case in point, natural gas—depending on whether you lucked into a three- or four-year contract four years ago on cheap gas; if you didn't, you're paying 100% to 150% more just for natural gas, the prime heating fuel of school boards, which contributes to our \$27-million gap.

1530

The funding model is not elastic, so it stays static and these costs expand. The only retort to that is we purged in our board: we removed \$18 million of our maintenance expenditures for the current fiscal year to compensate for the change in the cost of utilities. Many other boards in the province who didn't lock in three or four years ago to the cheap gas were faced with the same alternatives. They have to gut maintenance, and therefore the spin starts on the deterioration of facilities. And as we moved into the funding model maintaining a reasonable position of facility renewal, now it's deteriorated.

Even the minister herself, based on ministry studies, is extremely concerned about the deterioration of schools. Her information shows that the system needs a \$1-billion infusion to catch up to the renewal problem. If that keeps being delayed, it's like the old Penn Central Railroad. You used to see the freight train going down the grasslands, which was actually the main line. It just fell into disrepair. That's exactly what's happening to our schools and to many other schools. If that's not checked, the roof repair that would have been \$5,000 is now a roof replacement at \$100,000. Although we're only on one element of the benchmarks, it carries over into each line.

That's why, in the conclusion of the remarks, we say a major infusion is needed to catch up. The previous director of Simcoe referred to wage settlements. We've got a major catch-up to avoid gutting our programs with the 150 gap we have. In addition to that, there's a need to provide some reasonable compensation to employees as a salary increase.

The Chair: I'll have to bring it to an end on that particular comment. Mr Christopherson.

Mr Christopherson: Thank you for your presentation. The similarity of the problems and the level of the

crisis are amazing, whether we're talking about the biggest city in the country or whether we're in the most rural area. We had boards from outside Sault Ste Marie talking to us, and the problems are the same. It's just so clear that the government is going to have an impossible time—I hope, quite frankly—dodging this issue.

One of the difficulties in engaging in the discussion you have with them is that you are doing it based on their good faith. I'm in a position where I can say to you that I don't think they went into this with good faith. They deliberately planned to underfund it, because they had to make sure they had enough money to pay for their tax cuts. We know from Snobelen's approach way back when that they're not afraid of cracking a few eggs and other things too.

What's frustrating is that when you were allowed to do your own, it wasn't perfect, but it was a lot better. In Hamilton, when this government first got elected and cut the funding, changed the legislation so that JK was optional and didn't give the money for it, our trustees voted for a modest increase in the education portion of the property tax. Every one of them who ran got re-elected, for the simple reason that it reflected what the community wanted. Your shortfall, our shortfall in Hamilton—none of it is what anybody wants. Whether they're going to come to grips with it this time might have a lot to do with whether or not we have an election before we have a budget. We'll see.

I wanted to ask you one quick question, though, on something I hadn't seen brought to us in this fashion, and that is the whole notion of the double cohort. Most of it we've been dealing with is on the post-secondary side, but you're raising an interesting aspect, if I understand correctly, that you're going to build in all this infrastructure and you can't just turn a switch and abandon it all at once and make it go away. Can you address that?

Mr Higgins: The issue of the double cohort is difficult, both for the ministry, quite frankly, to give them credit, and for the school boards, because we're all trying to guess at what the reduction in secondary enrolment will be. When we do our enrolment forecasts now, we do three: high, medium and low. If we go on the median, which is what our forecasts are based on, it shows about a 5% decline in secondary enrolment. Other boards are all over.

Now, the ministry does have committees established. But the problem we have, as articulated here, is that all the grants are generated on a per pupil basis—all the grants. So your classroom teachers are generated, and your school operations are generated. As enrolment declines, and because we're really not going to know for sure, believe it or not, until September 2003, when we get the enrolments, or until June, when we see how many kids are successful getting into university and getting out the system, whether it's 2% or 5% or 7%—we'll start seeing signs during the coming year, next year.

So the issue, and what we've been representing to the ministry, is that you've got to freeze the fixed elements of the grant model and not allow them to fall. The

elements that fund classroom teachers can fall, although some school boards would say not to do that either. We can adjust the number of teachers to offset the student decline. But in school administration, school operations, psychologists, social workers, about 40% of the grant is locked in. Boards cannot reduce that at a snap. It can take anywhere from two to five years to re-adjust the system, because the students come out of different schools. So you may have a school with an enrolment of 1,000, and 100 of them go out under the double cohort. But all the fixed plant stays in place; it doesn't change. In some rural areas, the double cohort is a disaster, because they're underfunded already.

That's the real crux of the issue. We're saying you've got to lock down for a year—I would suggest two years—at least that 40% of the per pupil grant to allow the easing out of the problem.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Ms Donna Cansfield: I'd to thank you and the committee. We were late in applying, and you indicated that you would be prepared to accept our written submission and then very graciously allowed us to come and present to you. I think that speaks well on behalf of this committee. Also, I'd like to reiterate, on behalf of the Toronto District School Board, that we very clearly would like to work with you and with the other boards to resolve this before it gets out of hand.

The Chair: Thank you very much.

Mr Christopherson: You like one thing they did, and they couldn't do it without our agreement.

Ms Cansfield: Thank you.

SIMCOE COUNTY SCHOOL BUS OPERATORS ASSOCIATION

The Chair: Our next presentation will be from the Sinton Bus Line. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Alan Smale: My name is Alan Smale. I'm general manager of Laidlaw Transit Ltd. I'm a good friend of Stan Sinton, too good a friend, I guess; he asked me to come here in his place. I'm not sure he knew what was going on today, but he didn't give me much warning.

I do appreciate the opportunity to be here. I'm a past president of the Simcoe County School Bus Operators Association. I'm also a past director of the Ontario School Bus Association. In my 28 years in the school bus industry, I've witnessed many changes in student transportation. There have been huge improvements in school vehicles, with numerous safety features added, such as stop arms and cushioned high-back seats. Driver screening, training and ongoing education have been vastly improved. Nowhere, however, has there been a greater change than in student transportation funding.

Since the formation of county school boards, operators have negotiated with local trustees and school board

representatives. Local issues were identified and dealt with as fairly and equitably as possible. Funding was provided by the province, with support from the local taxpayer.

Currently, school boards still negotiate with bus operators, but they are unable to obtain additional funds beyond provincial grants. The current provincial formula only recognizes costs of operation prior to 1996. This means we are operating a student transportation system in 2002 and being paid in 1996 dollars. Additionally, there has been no recognition for inflation, approximately 11% since 1996.

In the early 1990s, school boards were challenged to find savings in their operations. Typically they looked to transportation to reduce expenses. Staggered bell times were used to allow for doubling of routes. Half-day kindergarten was eliminated, and walking distances were increased.

Boards that had found and taken advantage of all possible efficiencies then found themselves in an impossible situation when the province introduced the block grants in 1996. Provincial funding was reduced, and no more efficiencies were available. At the same time, operating days were increased from 185 to 190. To compound the problem, there are an additional 10,000 students being transported daily compared to 1995.

In some cases, funds from plant operations were used to supplement transportation grants. We've heard the problems that has caused with buildings. Payments to bus operators were frozen or reduced. Many school board contracts have not had rate increases since 1992-93.

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While operators' income was reduced, expenses continued to increase well beyond the rate of inflation. Improvements in buses, new D250 standards and the American dollar exchange rate combined to increase the purchase price of a 72-passenger vehicle by over \$20,000 from 1995 to 2001. Transportation rate formulas have not changed to recognize increased expenses.

Staggered bell times and multiple routes resulted in a fundamental change in the role of the school bus driver. In the past, drivers carried a maximum of 72 children on a route that would normally last two hours a day. They dealt with one school and were very familiar with their passengers. Drivers must now deal with over 120 children on routes that may serve three or more schools and spend five to six hours on the bus. Retirees and stay-at-home mothers, a traditional source of driving staff, are no longer interested in this type of work. High turnover, driver shortages and demands for higher pay are the result. Again, transportation rate formulas have not changed to recognize these increased expenses.

At the same time, fuel prices and insurance premiums increased exponentially. Operators found themselves in a position where they could not replace buses, which extended the average age of school buses in Ontario. Cost pressures have forced operators to do more with less. They have created stress for our staff as we ask them to do more to meet higher service demands of

school boards and parents. When I started in the business my hair was as dark as Mr Dunlop's over there. Sorry about the shot.

Mr Dunlop: Look closely.

Mr Christopherson: It sort of gets darker over the months, though.

Mr Smale: For over four years the Ministry of Education has been working in partnership with school board transportation officials and school bus operators to develop a new equitable funding formula. Bus operators have appreciated the opportunity to participate in this process. They have been patient as time has passed without a new formula being devised.

In the meantime, the province has recognized the crisis in funding. A tax credit in the May 1999 budget assisted in the purchase of new buses that complied with the new D250 standards. The Ontario School Bus Association has recommended that the tax credit be extended until December 31, 2005, basically to bring in more of the new buses with the new safety features. In the 2000-01 school year, interim funding of \$23 million was allocated to student transportation. This was intended to compensate for higher fuel prices, increased capital costs and other increased costs faced by operators. Unfortunately, this interim funding was not continued for the 2001-02 school year. Boards did receive flex funding of \$100 per student, but none of this additional funding found its way into transportation. Bus operators made the government aware of the problem and \$29.3 million in interim funding was announced in December 2001 for this school year.

While this interim funding has been greatly appreciated and has allowed operators to continue to provide service, it does not resolve the issue of stable funding. If bus operators are to provide safe, secure and on-time transportation of our greatest resource, children, then funding issues must be resolved. Until a new funding formula is in place, school boards must receive sufficient funding to allow them to adequately compensate bus operators. This funding needs to be fair and at an equitable level. It must be enveloped for transportation in order that school boards in fact allocate the funding as the province intends.

Once the new funding formula is approved, we understand it will be phased in across the province. Until the new formula is in place, boards must receive the money required to meet their needs. Total transportation funding for this school year, including the interim \$29.3 million, stands at \$610.3 million. This should be considered the base minimum for the 2002-03 school year.

Thank you for considering our recommendations for the provincial budget.

The Chair: Thank you very much. We have a couple of minutes per caucus.

Mr Kwinter: The interim additional funding that you got for 2000-01 was \$23 million.

Mr Smale: It was \$23 million for the 2000-01 year, yes.

Mr Kwinter: Then on December 1 you got an additional \$29 million for 2002-03.

Mr Smale: That's correct.

Mr Kwinter: Does that in any way come close to matching what your increased costs were from 1996-97?

Mr Smale: Not really, no. The \$29.3 million included \$6.3 million for school boards to handle declining enrolments, so basically what transportation received was the same \$23 million that we had the previous year. It's basically kept us at status quo and hasn't allowed us to really recoup any of our investment in a new fleet. It's important for operators to continue to purchase new vehicles and upgrade their fleet, particularly with the improvements that were made with the new D250 standards with the escape hatches and the reflective stripes on the buses, that sort of thing. It's important for us to continue that process. So I guess we're hoping the new funding formula will recognize what our costs are and compensate the boards adequately for that.

Mr Kwinter: You are private operators?

Mr Smale: Yes, we are.

Mr Kwinter: Do any of the school boards own their own buses?

Mr Smale: There are a few in the province that do. None in this area that I deal with.

Mr Kwinter: Is there any difference in the way they're funded?

Mr Smale: I'm not aware of how they're funded.

Mr Dunlop: There's quite a difference in the levels.

Mr Kwinter: What I'm really trying to determine is, if you're a private sector contractor supplying this transportation and it ever gets to the point where you feel it just isn't worth it, what would the school board do?

Mr Smale: That would be a problem. I think it would be difficult for them to get into the bus business, to develop the expertise that we have in it. You do see a trend in the province of small operators that are getting out of the business because they can't survive. Larger operators, I guess, have the resources to try and wait out the current situation and hope we can have better days ahead.

Mr Christopherson: Thank you very much, Mr Smale, for your presentation. I want to talk a bit about the D250 standards. When did they come in?

Mr Smale: In 1999.

Mr Christopherson: And they obviously apply to all new purchases.

Mr Smale: That's right.

Mr Christopherson: You mentioned a few things. I heard you say there was this cushioned high back, I guess because they don't wear seat belts. Do children still not wear seat belts on school buses?

Mr Smale: No. The original D250 standards back in 1974—around that era—came out with the padded backseats. I don't know if you remember that back in the old days there was a bare metal back to a school bus seat, which the orthodontists appreciated, I think, but parents didn't. But the new standards allow what they call compartmentalization and that really allows the student the protection of the back of the seat in front of them. Seatbelts have been shown to cause more injuries.

Mr Christopherson: Yes, I knew there was good reason for it. You mentioned there were other things too. There's an escape hatch, there's reflective tape. What other features are on there? I'm interested.

Mr Smale: There are better braking systems.

Mr Christopherson: That arm that comes out?

Mr Smale: The arm that comes out is an optional feature that some operators use. I'm sorry, I lost my train of thought.

Mr Christopherson: It's OK. But the point is that there are a lot of safety features built into that.

You have two situations right now, as I understand it. One is that the tax credit is no longer available, and you've urged that it be extended to allow you to purchase more. At the same time, the cost of your purchasing the vehicles has gone up you said by \$20,000. What I'm getting to is that you've got a lot of disincentives and you need the government to play a role in providing incentives if we as a population are going to see the safety standards for our kids go up when they're travelling on our highways.

Mr Smale: I believe the tax incentives are still in place this year but they expire in December 2002.

Mr Christopherson: If you got that extension, would you continue to purchase new buses?

Mr Smale: Yes, we would.

Mr Dunlop: It's good to see you here. You mentioned one thing there, that the \$29.3 million was for 2002-03?

Mr Smale: Sorry; 2001-02.

Mr Dunlop: It's for this year.

Mr Smale: Yes.

Mr Dunlop: OK. It was \$23 million last year—we call it one-time funding—and it's \$29.3 million this year. I just wanted to make sure it was correctly—

Mr Christopherson: Is that the tax credit we're talking about?

Mr Dunlop: No. The extra funding the boards needed.

Mr Kwinter: He said that the \$29.3 million grant in December for—

Mr Dunlop: For the year we're in, 2001-02. So the \$29.3 million was to help the bus operators for this current fiscal year, not for next year. Unless we correct the funding formula, what you'll be doing immediately, starting on April 1, is lobbying for \$29.3 million to be used in the 2002-03 year.

Mr Smale: Exactly.

Mr Dunlop: My comments to you, Alan, are very simply that these operators do an extremely good job here in Simcoe county. I just want to say that working

with Rick Donaldson over the last year has been a pleasure. I know that you do a great job in transporting—what is it?—840,000 children every day in the province with almost no problem. I appreciate the recommendations and we'll see if we can work toward the funding formula being corrected.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Mr Smale: Thank you for the opportunity to be here.

The Chair: Before we adjourn, there are a couple of items I would like to put on the table. First of all, the report will be ready on April 2. I think we have slated April 4 as the meeting date. When would people like to start in the morning: 10 o'clock? So if we slate it for 10 o'clock, in whichever room we can find, we will notify each member.

Mr Christopherson: Room 151, if we can get it.

The Chair: Yes. The only other item I would like to bring to the floor is that I would like to thank all the staff for their support, punctuality and dedication, and also the members. I really appreciate receiving your co-operation. I know it's a grind to go on the road for two weeks and start early in the morning and end late at night, so I certainly appreciate your co-operation.

Mr Christopherson: If I can, Chair, I think possibly for the second time in a row I want to compliment you on your chairing role. Some of these guys are hard to manage. As somebody who has been on the receiving end of some of that "Get in line" stuff, you've been very fair. I've been very impressed with your ability to stay on track without offending anybody, so my compliments to you. You've done an excellent job in the chair.

Mr Kwinter: I want to echo those remarks. I've said it to several people: I think you do an outstanding job as the Chairman and I want to commend you for it.

The Chair: Thank you very much, and with no further ado—

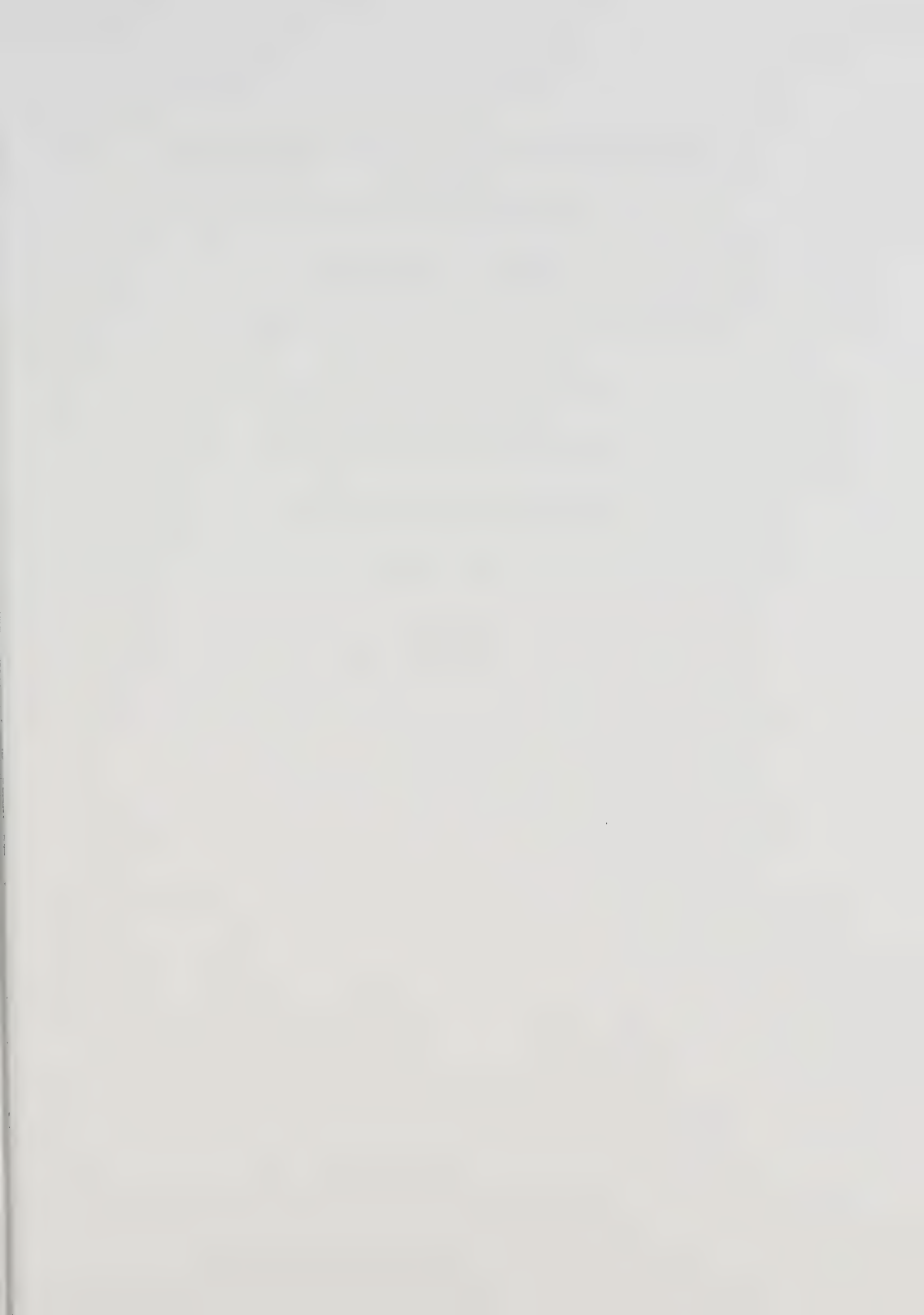
Mr Hardeman: Mr Chair, I can't let the opportunity slip by. Since I have been so agreeable for the full two weeks in doing all these hearings, I just want to say that I'm going to disagree with them on the compliments to the Chair. I believe that you have cut me off more times than I thought I should be cut off.

The Chair: But I try to be fair.

Mr Hardeman: You tried to be fair. But I do want to echo their comments.

The Chair: With this, class will be dismissed or adjourned until April 4 at 10 o'clock.

The committee adjourned at 1554.



STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Mr Marcel Beaubien (Lambton-Kent-Middlesex PC)

Vice-Chair / Vice-Président

Mr Doug Galt (Northumberland PC)

Mr Marcel Beaubien (Lambton-Kent-Middlesex PC)

Mr David Christopherson (Hamilton West / -Ouest ND)

Mr Doug Galt (Northumberland PC)

Mr Ernie Hardeman (Oxford PC)

Mr Monte Kwinter (York Centre / -Centre L)

Mr John O'Toole (Durham PC)

Mr Gerry Phillips (Scarborough-Agincourt L)

Mr Joseph Spina (Brampton Centre / -Centre PC)

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Mr Garfield Dunlop (Simcoe North / -Nord PC)

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Mr Larry Johnston, research officer,
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**Legislative Assembly
of Ontario**

Second Intersession, 37th Parliament

**Official Report
of Debates
(Hansard)**

Thursday 4 April 2002

**Standing committee on
Finance and economic affairs**

Pre-budget consultations

**Assemblée législative
de l'Ontario**

Deuxième intersession, 37^e législature

**Journal
des débats
(Hansard)**

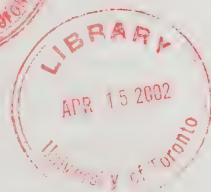
Jeudi 4 avril 2002

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

Chair: Marcel Beaubien
Clerk: Susan Sourial

Président : Marcel Beaubien
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 4 April 2002

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 4 avril 2002

The committee met at 1004 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Marcel Beaubien): Good morning, everyone. It's after 10, and I'd like to bring the standing committee on finance and economic affairs to order. We're here to discuss the pre-budget draft report submitted by the research officers.

Before we get to the report itself, I would like to inform members that if you have any expenses that have not been submitted, they should probably be submitted today because of the year-end that we're dealing with. So make sure all your expenses are in. It would be appreciated.

Mr Gerry Phillips (Scarborough-Agincourt): Just committee expenses?

The Chair: Yes, committee expenses.

As I pointed out, we're here to discuss report writing. You've had a copy of the pre-budget draft report in front of you since April 2, I think. I would probably leave it up to the committee as to which way you want to proceed with it. With that, those are the only comments I have to make. I don't know who wants to take the first shot at it this morning.

Mr Joseph Spina (Brampton Centre): I just wanted to compliment the staff, both Ms Campbell and Mr Johnston, for the hard work they did in drafting this thing. I thought it was pretty good. I just wanted to make a general comment about the good work that the legislative staff did in researching this and pulling it all together. I appreciate it.

Mr Monte Kwinter (York Centre): I just wanted to comment that I've read through the report and I think it's a fair portrayal of what we heard at the hearings. I just wanted to put that on the record.

The Chair: Now, with regard to the report writing, I don't know how the committee wants to proceed with it because I'm sure there will be some recommendations from the different caucuses. I'm open to whichever way you want to deal with it. Mr Christopherson?

Mr David Christopherson (Hamilton West): I'll defer to Gerry. He was first.

Mr Phillips: I always hate to say what we've done in the past, but I think what we have done in the past is that we have discussed the report, the summary of what we heard and what not, and then each of the caucuses has prepared and presented their recommendations and we've

discussed the recommendations and voted on them. I would think that may very well be what we should do again today.

The Chair: As I said, I'm quite flexible as to whichever way you want to proceed with it. Mr Christopherson?

Mr Christopherson: Given the adversarial nature of what we do here, I've always found it interesting that in the past what we've tried to do was find as much of a reflection of what we heard that we could all agree on as possible, reflecting very much what Gerry said. That gives us something positive coming out of here, rather than just three separate camps saying three different things. I've always found that exercise interesting and useful, given that in any subsequent debate you've at least got a body of fact that reflects what we heard that we all agree on and then you can begin your discussion from there. In my opinion, any discussion of the budget from that point forward, if we've got anything we agree on at all, even if it's just the title and the date, gives us something better, if you will, for lack of another word, to begin discussions on the areas where we disagree.

The Chair: We can take it, if you so desire, as presented. We can maybe have a discussion on the "Introduction" section—hopefully there won't be too much discussion on the introduction—and then take "Economic Outlook" and have some discussion on this and see if we can get some common ground. I think you're right. I think in previous years that's the way we've done it, with dissenting opinions, and then each party submitted its own recommendations. If we want to proceed in that manner, that's fine. I'm just looking for direction here.

I'm sorry, but I did have some very serious personal matters to attend to during the past two weeks, so I'm not up to snuff with the report. I just had a chance to look at it quickly last night.

Mr Christopherson: I appreciate that, Chair. The only alternative, then, is that we spend a little time spinning our wheels here today debating a few things, and then ultimately we and the Liberals vote against it, the government votes in favour, and away we go. We haven't really accomplished too much.

So if we can do that, I think in the past I've found that about as positive an exercise as we can make this and still maintain our different philosophies.

The Chair: So how about if I start with the introduction? I'm sure everyone has had a chance to read the

introduction. Can we get some consensus on the introduction, that we're somewhat agreeable to it?

Mr Phillips: It's fine with me. I've read through the report, and in total I thought it was a fairly comprehensive summary of what we heard.

The Chair: Is everybody comfortable with the introduction as presented by the researchers?

Mr John O'Toole (Durham): Yes.

The Chair: If so, we'll go to the section entitled "The Economy" and to "Economic Outlook," and we can have a discussion on that section of the report.

Mr Spina: I know this is a reflection of what we heard during the committee hearings in February, but since then obviously there have been some changes in terms of the economic outlook and I'm not sure whether we're in a position to entertain or look at any of that information as inclusive of this. The comments made were very legitimate. The opening words under "Economic Outlook" state, "Cautious optimism characterized predictions for the coming year and beyond," which was very much the case, I think, at the time.

Since then, we've seen some more updated information in terms of December and the first calendar quarter of this year. I don't know whether we are in a position to take that into consideration or whether we should just leave it as it stood at the time we had the hearings.

1010

The Chair: In my understanding of the recommendation, it's the committee that has to make a recommendation to the Minister of Finance and the ministry with regard to what they have heard. If the committee wants to incorporate some late information that might be available, I guess it's up to the committee to decide whether they want to incorporate that. That would have to be a committee decision that is made.

Mr Christopherson: I agree with what Joe is trying to achieve as a goal. The difficulty for us is, in the absence of bringing in an expert witness that we can all engage, listen to, question and comment, it's pretty hard for us to arrive—I mean, you'd probably be prepared to accept whatever the finance ministry sent down as the latest thinking. We may or may not agree, but at the very least we'd want them down here to defend their arguments. So it's going to be a little difficult, given that it ultimately gives us apples and oranges as opposed to a continuation of where we were, apples and apples.

Mr Ernie Hardeman (Oxford): I would agree. I think the process was set up to do public consultation on the issues and then come forward with a report based on those consultations and based on that information. If we go to the point of rejudging or reanalyzing new information that we got out of the newspapers in the last week or two, or wherever, and come up with a different report, then I think it takes away the authenticity of all the people who made their presentations at that time. What we have before us is an encapsulation of what we heard. The gathering of information ended at that point and I think it's then the committee's responsibility to deal with the information that was presented to us.

If we're going to take other information beyond that, then I think we would have to start over again and hear from the experts to see whether their predictions or their suggestions have changed because of changing circumstances in the next two weeks. I'm not sure, from newspaper reports, that that would be the case. Yes, things have changed, but would that have changed the outlook?

So I think we need to work with what we have here and not rehash or look at new information as it comes in; then, in fact, we should likely set up a program that we meet once a month regularly for the next year to redo the report because information has changed. I think we need to deal with what we heard and what we have before us and then report that to the Minister of Finance.

Mr Kwinter: If you read the section on the economy, it covers all bases, it covers all eventualities. It starts off with cautious optimism and it ends with, "Despite the positive economic numbers, the minister and others warned that nothing could be taken for granted." So you're really covering everything and whatever you want to read into it, you can read into it.

Mr Phillips: I'm not sure we'll ever all agree on what the objective of the committee is. I have a difference of opinion with Mr Hardeman. In my opinion, the objective of the committee is to provide advice to the minister, our best advice, on the direction the budget should take. What we do is, we get input from the public at large; that was the public consultations. But we also have to reflect our own experience and knowledge and we combine those two things. We combine everything we heard with our own analysis and experience to come forward with the second part of the report, which is the recommendations. I've always viewed this as much more than just a forum for the public. In the ideal world, this committee should be providing advice to the minister.

So I don't have any difficulty, Joe, with the report as it is. I think it does reflect what we heard. I do think that in our recommendations we have to apply our judgment to what we heard, what we know and, frankly, what has happened since—and my own view is that the economy is more buoyant now than when we had our hearings, right across North America probably. I think the challenge in going back to change the summary of what we heard—and I think that's what it says here, if I'm not mistaken.

Mr Spina: It was never intended to do that.

Mr Phillips: So I think—and I'm repeating myself—that when we discuss our recommendations we need to apply our judgment along with what we heard. For me at least, I think things are better than we heard just four or six weeks ago.

Mr O'Toole: I apologize; I haven't read the report. I just finished reading it. I generally agree with most of the observations that reflect what we heard and, as we're discussing now, the issue of what we think beyond what we heard. We can't help but be influenced by the current discussion with respect to inflationary pressures and interest rate pressures, which would seriously affect—as

this is a draft report, I think there's an opportunity here to put in the economic forecast those committee members' observations on anticipated inflation pressures and interest pressures. They do go hand in hand, and they will affect—also the current equation with respect to the Middle East and the potential rising price of oil, which is an important component of the economy.

You have to reflect realities—if there's a place in the economic outlook, which is a generalized statement, to take note of those three important components: inflation, interest and the energy issue with respect to fuel prices.

Those are my observations to this point. The rest are pretty sanguine observations.

The Chair: For the sake of time—I don't know how much time we want to spend going through this report—if most of the members feel comfortable with the contents of the report, then I think we should be concentrating on the type of recommendations we're going to be making to the minister. That would be my gut feeling at this point in time, as opposed to trying to discuss what is in the draft report in front of us, especially when I think most of the members are feeling quite comfortable with the accuracy and what we've heard during the nine days of consultation we had across the province.

So if we want to make some recommendations regarding the economic outlook to the minister, I think we should probably be tackling this and looking at it.

Mr Doug Galt (Northumberland): Further to Mr Spina's concern and some of the debate here, I think what's important is to clarify that this was a snapshot in time, taken during the time of the hearings, and that what we were hearing reflects that time, and to indicate that since then there have been changes. Whether we put in some of the changes observed in the popular press is debatable. Just for clarification purposes, I think we need to indicate that it's a snapshot in time taken from the witnesses who came before us at the time of the hearings. We're finalizing this, and I expect the date that goes on it will be today's date or the date it's tabled in the Legislature. I can appreciate Mr Spina's concern about the date. Yes, maybe things are looking different. Mr Kwinter or Mr Phillips, one or the other, also indicated it's looking brighter. I guess it was Mr Phillips who indicated the economy is looking a little better now than it was at the time of those hearings. So for accuracy of the report, it might be wise to put in something along those lines just for clarification purposes.

1020

The Chair: Mr Spina.

Mr Spina: Do you need a motion, Chair, to accept that section or the draft as a whole? How are you approaching this?

The Chair: Unless we want to add some further recommendation to that particular section, I certainly would entertain a motion that the committee is comfortable with that section of the report.

Mr Spina: I think we all agree that, as Dr Galt indicated, this is a snapshot, and even though there may

be changes right now in the current economic perspective and, as Mr Phillips indicated, more buoyancy, that's not what was happening at that time. Therefore, I'm willing to accept this and would move acceptance of the introduction, "Economic Outlook," as it has been presented in the report.

The Chair: Further discussion on the motion?

Mr Phillips: I have just one small little nitpick. On page 5, "Personal Income Taxes," it says, "The government was asked to legislate the personal income tax reductions...." I believe we already have legislated that.

Mr Spina: Sorry, I thought we were dealing with the "Economic Outlook" section.

Mr Phillips: Oh, I'm sorry. I thought it was the whole report.

The Chair: Basically pages 1 and 2.

Mr Spina: There are some other issues that I think I'd like to talk about as well, Gerry, but from this perspective the motion as it stands is just about the economic outlook.

Mr Phillips: Fine.

Mr Hardeman: I would second the motion provided we're not making changes, because I still reiterate the problem I have with making assumptions in this. We went through the consultation process to hear from experts as to what the realities were and what the impact of that would be. If all of a sudden we accept that we're going to finalize the report on a different day with different information and we put forward that, yes, the economic projections are different, then I think I need an expert witness to tell me what impact that has on the budgeting process. So I think we have to go to the point in time when we finished our public consultations and deal with that. So I'll support the motion.

The Chair: Would it be fair for me to assume that we have consensus on the section entitled "Economic Outlook"? We have no disagreement on it? OK, so it's agreed upon.

We'll go to "Fiscal Situation."

Mr Christopherson: I haven't mentioned it yet, but I do want to congratulate the authors on an excellent first draft.

On the fiscal situation, one of the things that was quite striking about the presentations, especially the expert witnesses that each of the caucuses had the opportunity to choose directly—each of us had two that we could bring in—was that I think it was a government representative, actually, Mr Drummond from the TD Bank who came in and actually all but advocated that given the fiscal situation that existed at the time, and given the projected deficit that the current revenue numbers suggested was going to be there, the notion of running a deficit was something he was comfortable with. I don't want to put words in his mouth—I'd have to see the Hansard—but I think he practically recommended it by virtue of saying you really can't do anything else given the circumstances. It just seems to me there should be some reflection of the fact of running a short-term deficit, just to underscore that point. I thought it was fairly dramatic that he came in and made that statement.

Mr Hardeman: I too want to commend the staff for a well-written report, but I guess I would point out that there were a number of things that were said by a lot of people who were before us that were not put into the report verbatim. I know Mr Drummond did speak of the possibility of deficit spending, and I don't have the Hansard before me as to what he actually said, but I'm not sure he recommended that deficit spending was acceptable. I think he did mention that with the numbers before him at the time, it was going to be quite a challenge to not have a deficit budget.

I don't think, with the present information before me, that I'd be comfortable saying that the expert witness came in and suggested the solution to our problems or the recommendation to our minister should be to prepare a deficit budget. If that's what he said, then I suppose there's no argument to be made that it shouldn't be in the report, but I don't want to put it in the report that we're interpreting something differently to say that an expert witness came in and supported or suggested that this was the solution.

Mr Christopherson: Fair enough; it's a fair comment. I appreciate that you are prepared to have something reflected in here if that's indeed what was said. We don't have the Hansard in front of us, so maybe in the interests of furthering the point, we could ask the staff to take a look at what was said. They could recommend whether there's a direct quote in there that they can find, or at the very least bring it back—we can just set this aside—and either have it sent to us or deal with it at the next meeting, but actually put the Hansard in front of us. I'm prepared to be reasonable. I think he was a little stronger than you're indicating, but I could be wrong, until I see the actual Hansard.

Somehow, Chair, we need to get a process where we can take a look at that to deal with this and see if it's an inclusion that should be made.

The Chair: If you look at the last paragraph on page 3, it says, "One forecaster warned about the possibility of a deficit of more than \$3 billion in 2002-03." I don't know if it refers to Mr Drummond or what, but I think it points out that at least someone pointed out that there could be a possibility of a deficit.

Mr Hardeman: If I could, Mr Chairman, that, to me, does relate to the presentation made by Mr Drummond. We'll ask staff if that's the case. But that's really the way I interpreted what he said: because of the circumstances, if you're not going to have a deficit, you're going to have to find major spending reductions.

Mr Christopherson: See, I think he went further than that, Ernie. I think he talked about a higher comfort level. But anyway, we should just take a look at the Hansard and see what it says. If we're being reasonable, it shouldn't be a problem. At this point, since that's where we are—

The Chair: I guess maybe we'll leave it up to the researcher to go back and maybe review that and report back to the committee as to what—

Mr Christopherson: Yes, even if it's just to isolate in the report where Mr Drummond comments on that and

put the actual Hansard in front of us and let us deal with it, unless there's a direct quote that clearly, based on this conversation, the researchers are comfortable dropping in. But at the very least, let's have that portion of the Hansard in front of us to review this particular segment.

The Chair: The clerk just pointed out to me that today is the only day we have to discuss the report, that we won't be able to have reporting back by the research officers later on.

Mr Christopherson: How about after lunch, then?

The Chair: That may be possible. OK.

Mr O'Toole: There are two or three presenters and their Hansard remarks that I'm kind of waiting for. What is the status of the Hansard, and if it's ready, could we get a copy of it?

The Chair: I think all the copies have been sent to your offices.

Mr O'Toole: They have?

The Chair: Yes. I know I've received mine.

Mr Christopherson: The back of the report shows all of the submissions that were made.

Mr O'Toole: I know the submissions are all listed here.

The Chair: But you should have copies of the Hansard in your office.

Mr O'Toole: Very good; that's fine.

The Chair: So we'll go on to the next section, until after lunch? We'll leave this one and come back?

We'll go to "Spending Priorities."

Maybe we can go through as many sections as we possibly can this morning so we can give the researchers a chance to report back. I don't want to rush you through it, but the quicker we get through, the more information we might be able to gather later on.

"Spending Priorities": Who wants to expand on it or make any recommendations or suggestions? Or are we satisfied with that? Do we have agreement among the three caucuses that it's agreed? Agreed.

We'll go on to the next one, which is "Taxes." Discussion on the section dealing with taxes?

1030

Mr Christopherson: I think the minister actually, in his presentation, stated that they were looking at a shortfall of between \$3 billion and \$5 billion, and we don't really have that in either of these two categories. That's pretty significant, the fact that the minister has come in and said that's what he's projecting. It seems to me that's important enough that it ought to be reflected in the body of the report.

The Chair: I think we can check on that, Mr Christopherson, for after lunch.

Any further issues that anyone wants to bring under the "Taxes" section? If not, we'll go to—

Mr Spina: Just a quick question, Chair, if I may. Are we going to be formulating recommendations out of each section now, or we'll just leave that to the end? Is that correct?

The Chair: Yes, I think we should probably leave it.

Mr Spina: That's fine, thank you. I'll leave it to the end.

Mr Christopherson: Again on process, just to be clear, because Joe makes a good point, it would seem to me that if we're going to have to do this all in one day, the recommendations ultimately are going to have to be there for us to vote on, and I expect it's likely that the government is going to, in majority, vote for them. That will become the body of the report. We will dissent and then add minority reports. So at some point those recommendations are going to have to be generated and then voted on by the end of the day. I don't know where exactly you're going to get those recommendations, whether you want to table some for consideration later, but if there needs to be shortened debate on anything, it would seem to me it's the recommendations at the end of the day, because it's going to be a majority government report—so, again, emphasis on trying to find agreement where we can on the factual aspect of this, and then leave the political part to the end, where even if we ended up with a straight-up vote, that wouldn't be horrible if it meant we had a chance to discuss some of the items and eventually have a basis of agreement.

Mr Kwinter: It's very difficult for us to create recommendations as a group. We'll spend all day on one recommendation. What we've done in the past, and I think we should do it now, has been to have the government side present their recommendations, each of the caucuses draw up their recommendations, and then when we take a look, obviously the recommendations of the government, if they want them to, are going to be adopted, because they have the majority. But what we can do is see where we agree and then come up with unanimous consent on those recommendations, and we can discuss the ones we don't agree on. At the end, as we have always done, we will put forward those recommendations that we all agree to, and then each of the remaining caucuses will submit a minority report on other recommendations that there wasn't unanimous agreement on. It would seem to me that would be the most efficient way of doing it, because eventually we're going to have to go back and prepare these recommendations.

The Chair: I think if we can get through the report fairly quickly, we probably can tackle that right after lunch, especially after the researchers have reported on some of the issues that we requested further research on.

Mr O'Toole: Just for clarification, is that the correct assumption, that the previous process has involved a compendium of recommendations from the three different caucuses? Could I have somebody from research tell me what the tradition has been?

The Chair: I think there have always been recommendations from the three caucuses, in the past number of years that I've been on this committee.

Mr Larry Johnston: We have last year's report.

Ms Elaine Campbell: Yes, we have a copy of last year's report, although if I remember correctly from last year—

Mr Johnston: There are committee recommendations.

Ms Campbell: There are committee recommendations, right, but I don't know that they are made up of recommendations from all three caucuses. Mr Phillips, Mr Kwinter or Mr Christopherson might have a better memory.

Mr Kwinter: If I could just clarify it, when you say that there are recommendations from the committee, those are recommendations that have been agreed to by all the caucuses, and they go forward as a recommendation of the committee. The recommendations that are not agreed to then can be part of a minority report. There are recommendations that go forward from the committee, but the only way you can get that recommendation is that we've got to see the recommendations and we've got to agree that, "Yes, we have no problem with that one, and that will be a committee recommendation."

The Chair: For the committee's information, if you look at last year's report, the Liberal caucus submitted a paper or a recommendation entitled "Liberal Dissenting Opinion," and the NDP caucus had the same thing, a number of pages. Theirs was entitled "NDP Caucus Recommendation and Supporting Arguments for the Finance Minister on Pre-Budget Consultations." So anything that was not agreed upon by all the parties involved was basically submitted as a dissenting opinion on a certain recommendation or a certain point.

Mr Phillips: Actually, you said "weren't agreed by all three parties." It's just weren't agreed by the committee, because I think that in the past there has been a vote taken and that becomes the report. Then I actually think technically they aren't minority reports; I think technically they are dissenting opinions. What has happened in the past, John, has been that at the end of the day—literally at the end of today—a vote is taken, and that becomes the report, and then the opposition parties have often said, "Well, we would like to submit a dissenting report," and the committee gives the opposition parties a couple of weeks to prepare ours.

Mr Hardeman: I think this really does relate back to what Mr Phillips was talking about earlier, as to everyone's perception or understanding of what the committee is doing and is reporting on, whether we're holding public consultations to hear the expert advice and the views of the public and presenting that to the minister and giving him advice and giving him help in preparing a budget, or whether it is for gathering advice for the committee members to formulate an opinion on what should or shouldn't be in the budget. If I recall correctly, last year the committee's report that went forward as the pre-budget consultation was similar to what we have before us today, and it did not receive a great many days of debate because the decision was made that we would report what we had heard. There were some minority views on the committee at that time that said they wanted more than that, they wanted to put forward some recommendations to the minister, and I think you will find that those minority opinions were attached at the end of the report, but the actual report from the committee

was fairly much like the draft report presented by the legislative staff, and I think that's what we have before us here.

The Chair: If I may, under the section "Taxes," I will have the researchers report after lunch with regard to some of the comments that I think Mr Christopherson raised about the deficit, and then we'll go on to "Tax Cuts."

Any further discussion under that particular section?

Mr Christopherson: Yes. Again, a good reflection of the one side, but this is one of the few areas where I really don't think there is a balanced view. In the three categories of "Capital Tax," "Personal Income Taxes" and "Payroll Taxes" there were representations made opposing each of these tax cuts, particularly in light of the projected deficit. So again, to be fair and provide an accurate reflection, I think that point of view, which was pretty strong—it's not like it was just one individual—represented a continuous philosophical difference from those who feel that tax cuts are the priority. I just think that in fairness there should be a little more of that reflected in each of these three categories.

The Chair: I think I'll let Ms Campbell—

Ms Campbell: I'd like to respond to your comment. I think that when it came to those three particular areas no one made specific reference to those taxes when they were talking about tax cuts. It was more a general comment about taxes in general.

1040

Mr Christopherson: I appreciate that and I suspected that might be the response, and that's fair, but the problem with that approach, to Ms Campbell and to you, Chair, the difficulty with that approach is that all it takes is one person to come in and make a comment on one particular area, and if nobody else comments on it you could end up with a reflection in this report. So some of the people who came in and who were opposed to these tax cuts may not have mentioned them specifically but in their general comments were very clear that they didn't feel tax cuts were the way to go, particularly at this time.

Even though they maybe didn't come in and say, "No, don't cut the capital tax," I could point to an awful lot of presenters who clearly felt that this is not the way to go, certainly at this point. So if we can't say it in the context of capital taxes, and I can appreciate that may be the factual point, then there ought to at least be some category that recognizes there were two philosophical approaches, or something that gives that voice a reflection in this report. I just don't think it's good enough to say, "They didn't say the words 'personal income tax,' or they didn't say specifically 'capital tax.'"

Clearly, a lot of business groups had gotten their ducks in order and they have their priorities and they're lobbying and they're sending out the word, "Let's not get too dispersed here in terms of our focus on this government. Let's go after capital tax." That has become the flavour of the month, fair enough, but there are those who are opposed to that even if they didn't actually say 'capital tax' just because somebody else has decided that's the agenda

they want to set with this government. Somewhere we need to provide that voice, which we did hear pretty clearly.

Mr Hardeman: Looking at the way the staff has written it, to me it does what Mr Christopherson, what David is talking about. When you read the second paragraph, first we talk about the—and these are general taxes, not specific ones; the specific ones are mentioned in different sections. But you look at the general tax cuts, "Business representatives applauded the tax cuts." I think it's fair to say on average the average business person coming in applauded reducing tax cuts to make it more competitive.

In the second paragraph it says, "Many others opposed the cuts." It explains why they opposed the cuts. So I think really they have encapsulated the differing views on the principles of why the people who presented in support of reducing the taxation levels—

Mr Christopherson: Where? Show me where in those three paragraphs.

Mr Hardeman: "Business representatives applauded the tax cuts made by the government and asked that they continue as planned, and that more be introduced. Cuts were considered critical to long-term competitiveness with neighbouring American jurisdictions and other Canadian provinces."

"Many others opposed the cuts. While some opponents called for the cancellation of unimplemented cuts, others said that favouring cuts over social programs is socially irresponsible and widens the gap between rich and poor."

To me, it does put forward the position of the two views on tax cuts, and that's not suggesting that staff have made the distinction of which one they agreed with or disagreed with, but—

Mr Christopherson: If I can, that's my whole point. We then go on in the next three points to do exactly what you said and complimented them for for not doing in the tax cut category. They've gone on to isolate individual tax cuts and give comment on those without any reflection at all of what has been said in "Tax Cuts." If they had mentioned more tax cuts, specific tax cuts, then this whole report could be filled with just those individual tax cuts. I just don't think that's enough, given that you make that one general statement under "Tax Cuts" and then go on to talk about three specific areas, huge areas, of the revenue of the government of Ontario and offer no balance in those comments, none, not a word to suggest there was anybody who thought any differently except in a previous category, which, if you don't carry that forward, gets lost. I don't think it's fair.

The Chair: Would it be fair to assume, though, that that particular point could be raised by, let's say, you under "Recommendations" under "Tax Cuts" per se or in any—

Mr Christopherson: At the end of the day, that's how we could resolve anything. The goal was to try to find some common areas. Even if—I'll just throw this out because it occurred to me—we took, to go where Ernie

was, the "Tax Cuts" as almost an intro paragraph and then made these other ones sub parts of that, I would be more comfortable. It's having these other things stand alone, given equal weight, but by just their numbers they skew the balance at the end of the day and—

The Chair: So what you're suggesting is putting a sub something, "Tax Cuts"—

Mr Christopherson: Yes, "Tax Cuts" and then the two general philosophical positions and then, where there were specific comments—because there were a lot of them; as much as I didn't like to hear it, they were there—to give that due reflection, by all means show it as sub points within that heading.

The Chair: Is that agreeable to the committee members? Basically, you would have "Tax Cuts" and then under "Tax Cuts" you would have "(a) Retail Sales Tax"—and I'm not trying to say what the researchers would do, but my understanding would be, "(b) Capital Tax," and then (c), something of that nature.

Mr Hardeman: I can see some of the point being made, and I would suggest that maybe if under "Tax Cuts" we took the second paragraph about people who oppose tax cuts and presenters who oppose tax cuts and just rejigged it and put it at the end of all the tax cuts references—I think it's fair to say that the first paragraph under "Tax Cuts" is a lead-in paragraph to all the different types of tax cuts that presenters told us they liked or disliked and what the impact of those would be, in their opinion. But if you read all the Hansard, I think you'll find there were very few people who would fit in the second paragraph, those who were opposed to tax cuts.

Mr Christopherson: I disagree with you.

Mr Hardeman: No, no, who opposed certain tax cuts. They generally opposed tax cuts. That's why I think putting it at the end, using the definition of the different types of tax cuts—different groups had different reasons for picking one over the other and why they recommended one over the other. The group that generally opposed tax cuts didn't define which tax cuts they were most opposed to. They were just generally opposed to tax cuts, to reducing, in their opinion, revenues at the expense of being able to provide further programming. If you take that paragraph and put it at the end of the tax cuts as the other view on tax cuts, to me that would do what you are suggesting.

Mr Christopherson: I appreciate your—we're trying to get to a point where we can agree. Let me try to approach it this way. If we were dealing with the health category, and I'm just being hypothetical, and we had a comment that said most business leaders felt health needed to be a priority but that there were limited dollars to be invested—fair statement, fair comment, fair reflection—and then we spent six pages outlining all the individual areas where groups came in and wanted increases in spending in each health category they mentioned, at the end of the day that wouldn't be a fair reflection of the two points of view. You have a sort of throwaway line at the beginning, and then, because the chambers of commerce, for instance, locally didn't

mention every single one of these programs but others did, the report mentions all those programs, but we don't end up with a balanced report.

That's what we have here, just because somebody who was advocating spending on health care probably mentioned that further tax cuts when we are in a deficit position are the worst possible scenario and then went on to say why they thought there should be investments in health care, but by virtue of not saying the words "capital tax," they don't even get a sentence under "Capital Tax" that says this is not a good time to do it. That is why I put forward the idea that if we had the general statement, the one you brought forward under "Tax Cuts," and then—and I would now include retail sales tax—we had these four subcategories, because business did come in and make a point of that, I'm quite prepared to reflect that, but it ought to be in a context, not a vacuum. I think this leaves a vacuum of a balance.

Mr Spina: I can understand where you're going with this, David, and I agree with it to a certain degree. If you were to take a heading of "Taxes," subheaded "Tax Cuts," and then the other four categories, I could go along with that, because I think tax cuts, if you will, are just one element of taxes in general. I would make "Tax Cuts" a subheading, and I would be supportive of that under the larger heading of "Taxes."

With respect to tax cuts—and please don't take this as facetious, because I say it with respect—you were looking for balance in the comments on tax cuts. To me, this looks balanced, but the first paragraph has four lines and the second one has three. If we want to pack that second paragraph to add something so they visually look more balanced, then maybe we can do that, but I think they accurately reflect what the researchers heard. When it comes to the actual breakdown of the various taxes, whether they should be increased, decreased, whether we should keep the status quo, reallocate, whatever the status is, then I think we can address each of those as we go through them. But I would be supportive of taking the subheadings, if they were all subheadings, under the main heading of "Taxes."

1050

Mr Christopherson: You know what? While you were making that recommendation, I was reading this, and I could live with that. It still accomplishes the same thing.

The Chair: OK. Now I'll go to Mr Kwinter.

Mr Kwinter: I understand where Mr Christopherson is coming from, but on the other hand the tax cuts that are listed under "Retail Sales Tax" and "Capital Tax" are important areas for certain segments of our economy, and they wanted to make the point that this particular tax cut is doing them competitive harm. One way to deal with it is, in that second paragraph under "Tax Cuts," rather than saying, "Many others opposed the cuts"—many others opposed any cuts. What they were saying is, "It doesn't matter what cuts you're making." Everybody came forward and made a specific recommendation for a cut, but many others opposed any cuts because they felt, as it

goes on to say, "that favouring cuts over social programs is socially irresponsible and widens the gap between rich and poor." That is the basic philosophy they were espousing: don't cut any more taxes, because it disproportionately impacts on the poor. I think that is really what you were saying.

Mr Christopherson: I appreciate that, Monte, but again—and probably because you have some sympathy with that, and that's fair enough—if you look at it from the other point of view, what you're left with, and I'm beginning to repeat myself, is that you've got one area where a different philosophy is mentioned, and then we go on for another one, two, three, four, five points, almost a full page of the report, talking about individual, specific tax cuts and why they're important. The bias in there is, to me, quite blatant.

To use an extreme example, had it gone on for another four pages, would you agree with me? I suspect at some point you would agree, at 10 pages, 30 pages, at some point, if we went on and on and on about all the different tax cuts that people wanted. But if a short paragraph, only one or two sentences way back earlier in another heading, is supposed to provide balance, I don't think it does. I just think it provides an unfair reflection simply because one group came in prepared and focused and organized to concentrate on a number of key, specific tax cuts and others weren't commenting on those specific ones. So to provide that kind of detailed analysis of why they think it's a good idea, and no balance whatsoever other than a page before and five headings above, where it said, "This is not fair" or "This is not the way to run the economy," to me is just not a balanced reflection of the relative importance.

The Chair: OK. I think we might be close. If we were to use "Taxes" as the heading and use "Tax Cuts," "Retail Sales Tax," "Capital Tax," "Personal Income Taxes" and "Payroll Taxes" as subheadings, is that agreeable to the committee?

Mr Christopherson: Chair, it helps me because to me it provides a better context. I think it's closer to what Monte is suggesting this does, but it just doesn't do that for me. This gets us a little closer because it at least provides a defined context for these comments where the opposing philosophy is given balance in the opening paragraphs that set the context.

The Chair: I think Ms Campbell would like to make a couple of comments.

Ms Campbell: I'd just like to point out that it may not appear as such, but the heading "Tax Cuts" is a sub-heading to "Taxes," and it's at the same level as the four following subheadings. In our parlance, "Taxes" is a level 1 heading, "Tax Cuts" and the other subsections are all level 2s. Is it my understanding that it's the committee's wish to keep "Tax Cuts" as a level 2 heading and change the following four to a level 3?

The Chair: No, I think they would all be level 2. Am I correct?

Ms Campbell: They're all level 2 now.

Mr Christopherson: Joe was offering up the compromise, if you will, that by moving up our discussion to

include the taxes category as four—I'm just not used to your terminology. But the heading "Taxes" in the middle of page 4 would be the primary—I guess that's your level 1—and the others would be equal—

Ms Campbell: They are.

Mr Christopherson: —to each other, but subsidiary to that opening heading.

The Chair: My understanding from Ms Campbell's explanation is that that is there now, but maybe the printing does not exemplify that.

Ms Campbell: This had arisen earlier, that there was some confusion over the difference between a level 1 and a level 2 heading. We didn't think it would arise in this forum, but it obviously has.

Mr Christopherson: Level 1, level 2, are we talking NASDAQ monitoring screens?

Ms Campbell: If you look at the table of contents, you can see that there is a difference.

The Chair: So I think we've got what we're looking for. It's just a matter maybe of the print being somewhat different. I don't know how we achieve that.

Mr Christopherson: I'm sorry, Elaine. I have trouble understanding that. Page 1, "The Economy." Clearly that's the heading, and then you go on to "Economic Outlook." So everything here is sort of under the rubric of "The Economy." I don't know how one gets to "Tax Cuts," "Retail Sales Tax" being in the same relation to the above category of "Taxes." You don't have to change a word. I can live with Joe's compromise, which is just make "Tax Cuts," "Retail Sales Tax," "Capital Tax," "Personal Income Taxes" and "Payroll Taxes" secondary so that they're clearly—

Mr Spina: Subheadings.

Mr Christopherson: Subheadings, sure.

Ms Campbell: They already are, but if you go to—

Mr Christopherson: How?

Ms Campbell: —the table of contents—

The Chair: It shows under the table of contents.

Mr Christopherson: Ah. Well, then, we need to show it here.

Mr Galt: Underline the primary ones.

Ms Campbell: Would you like us to implement a numbering system?

Mr O'Toole: No, I think what Mr Galt is saying is, if you just underline the major headings, that would distinguish that this is a major heading area and the rest, whether it's the size of the font or whatever, would give the importance. That, I believe, is what's missing here. "Taxes" is the major heading; the subheadings are "Tax Cuts," and then the other components would be the specific cuts.

The Chair: Yes, because that's exemplified in the table of contents.

Mr O'Toole: Yes, the table of contents, but it isn't here. When you look at it, it looks all the same.

The Chair: We probably can leave that with the researchers. How they do it, I'm sure they'll find a way to work this out. So do we have agreement on this?

Mr Christopherson: Subject to final review of what we actually get.

The Chair: Yes. OK?

Do we want to review each tax subtitle, or are we satisfied with the way the report reads now?

Mr Christopherson: If we get it in context, I'm going to be fine. We'll see how it's presented this afternoon. If it does that, then I'm going to be fine.

The Chair: We'll go to "Municipalities," I guess, as the next title.

Mr Christopherson: I thought there was a lot more emphasis on downloading. Almost every municipal representative who came in, whether it was a councillor, alderman or mayor, commented on downloading, and I don't see that given the weight here. I just—

Mr O'Toole: I don't like that term, "downloading."

Mr Galt: Transfer of responsibility.

Mr Christopherson: You don't like that term, but that's what they used. I don't like the term "corporate tax cuts" when we're looking at health cuts, so—

Mr Galt: That's what the feds do.

The Chair: No, no, let's stay on target here.

Mr Christopherson: Tell that to Toni Skarica.

The Chair: Mr Christopherson has made a request. Maybe we could look at that, as to whether there was reference made by different municipalities. We'll follow up on this.

Mr Hardeman: I would agree with Mr Christopherson that the issue of realignment of services was brought up in most of the municipal presentations. But I think if we check the Hansard we will find that most of them then came forward with discussions about what needed to be done municipally. They referred to the new Municipal Act. They referred to other things that need to be done, different from the previous year when the presentations were all, "Let's turn the clock back and let's get rid of the realignment of services." Now, I think, from the presentations, that this is maybe not quite as broad and reflective as it might be. But I think the presentations did get more to what they needed, the tools they needed to handle their responsibilities, rather than looking at changing responsibilities. So I wasn't as uncomfortable with this as you are.

1100

Mr Christopherson: Quelle surprise.

Mr Hardeman: I think it could be broadened somewhat.

The Chair: Any further discussion on that? We'll have a report after lunch.

Mr Christopherson: I appreciate that. Thank you.

The Chair: So we'll go on to "Infrastructure." Any comments or questions? If not, are we agreed on the "Infrastructure" heading? Mr Hardeman, you're agreed?

Mr Hardeman: Yes.

The Chair: So we'll go to "Public Transit." According to the table of contents, "Public Transit," "Roads" and "Border Crossings" would be subtitles or subsections, however you want to refer to it. Any discussion?

Mr Christopherson: Sorry, what did you just say?

The Chair: Any discussion under "Public Transit?" We're agreed on this section? Agreed.

Then we'll go to "Roads." Any discussion on that? If not, then we're agreed.

Then "Border Crossings." Everyone is comfortable with that report?

Mr Galt: I can't recall specifically the presentation, but I hear so much about bridges in rural Ontario. Was that not mentioned at any time by municipalities? It's not so much the roads as the cost of bridges. Some of the counties will have 150 or 200 bridges in them. I'm hearing so much about that, I'm surprised that at some point in time it wouldn't have come forward in those presentations.

The Chair: I'm told that there were very few municipalities per se that presented.

Mr Galt: That may have been part of the problem.

The Chair: If we're agreed on "Border Crossings," we'll go to the next heading, which is "Environment and Energy." Any discussion under the subtitle "Environment?" No? So we're agreed on this?

Mr O'Toole: There was much at that time, and I think it was mentioned—I haven't got Hansard, of course—about the diverse views with respect to the economic impact of the Kyoto protocol, even at that time. I'm sure I brought up—I know I did—that there were conflicting reports that indicated the federal government had not completed sufficient analysis of the financial implications of implementing Kyoto and the specific impact with respect to Ontario. I think that has not been stated strongly enough here under, "environment and social impacts of the Kyoto protocol prior to ratification."

The Chair: Mr O'Toole, it says, "Business representatives urged the province to encourage the federal government to engage in a full analysis of the economic, environmental and social impacts of the Kyoto protocol prior to ratification." I think that is fairly emphatic with regard to your point.

Mr O'Toole: That's fine.

Mr Hardeman: I'm just curious again, and maybe staff can tell me, but it seems to me that we did have a presenter who actually put forward what they thought was going to be the impact if we agreed to it, and how much that was going to be a drawdown on job creation and investment in Ontario. I'm not sure whether it was actually presented here or whether the day of our hearings it was a newspaper story that somebody had done some research on it and had some numbers on the impact. If that was presented to us, then I believe that we should—

The Chair: We'll follow up on it and report back after lunch.

Mr Hardeman: And if it wasn't, then I think what's there is plenty.

Mr Christopherson: If I can, let's recognize that we're stepping into some pretty deep water here pretty quickly. I'm prepared to live with what was drafted, which is that business urged the province to encourage the federal government to do a full analysis. But if we go

beyond that, then you're going to start bringing out the philosophical differences in all of our thinking on this particular issue. So I thought this was a fair reflection.

Mr Hardeman: I'm not suggesting it's not fair, Mr Chairman. My concern is, if there was a presenter who had done the research and actually had numbers of what in their opinion was the impact, then I think we have an obligation to present that information to the minister. If it wasn't actually presented to the committee, then I would totally agree with you.

Mr Christopherson: The risk all of us run going down that road is that we could all probably find one comment from one presenter that we just wholeheartedly embrace. Nobody else mentioned it. If it gets too much weight in this report, it tends to suggest that you heard it more than you did. So just the fact that there was one individual who may have come in and said more than this general statement, I'm not sure that is reason enough to shift the balance here.

The Chair: For the sake of time, why don't we leave it with the researchers' report to see if there's anything else, and then we can deal with it after lunch.

Interjections: Yes.

The Chair: OK.

Mr Kwinter: I haven't seen the Hansard and I can't remember, but it seemed to me that one of the critical issues in this whole Kyoto thing was the political issue, the fact that if the United States does not go along with it and Canada does, we have a problem. It would seem to me—and again, I don't know whether anyone said that; it was certainly reported on during the time, but we talk about economic, environmental and social. I think the actual political aspect of it is important.

The Chair: We'll report after lunch on it. Good point.

We'll go to "Electricity." Any discussion? If not, are we agreed that we're satisfied with the wording under the title "Electricity"?

Mr Christopherson: The only comment I would make is that there's no reference to job loss. I'm prepared to stand by whether or not that was actually said, but I think it was, which is significant. I mean, there were some business groups—in fact, the group that's mentioned here, one group, asked for protection from excessive rates for one year. That was the Windsor and District Chamber of Commerce. So it's pretty significant in the context of what we're talking about. It just seems to me that if jobs are specifically mentioned as being at threat as a result of the privatization, if that was mentioned, especially by business, then that needs to be in here—something that there were job losses. It wasn't just an investment issue; it's also a job creation issue, or a lack thereof.

The Chair: We can follow up on this. That means both Elaine and Larry won't have lunch today. Sorry about that.

Mr O'Toole: Since this is a very important topic, probably the one I'm hearing most about in my riding, I know in here that maybe it wasn't said but it is implied: the current motive for the changes. Was that not implied,

why the government has gone through the Macdonald commission, the restructuring under Bill 35, where there was a \$38-billion accumulated debt versus assets worth \$41 billion? That should be implied in here, the motive for the changes, because the changes, by the time this report gets tabled, will already have—the IPO will be out there and the market will have opened.

The Chair: We'll follow up and we can discuss it further after lunch.

Mr O'Toole: Yes, that's fine; just to see if it was. Because it's a good background piece for motive.

The Chair: So we'll go to "Business Sectors" and we'll deal with "Agriculture" first. Any discussion with regard to that particular heading?

Mr Galt: The first sentence of the second paragraph seemed very general, when in fact—and I believe they commented on it—the big problem has to do with the American agricultural policy on the payment to recognize cost of production for grains and oilseeds. That's the real support concern that agriculture has today.

The Chair: So are you suggesting, then, that we take a look at it to see—

Mr Galt: It's very specific, the area that they have concern over, in support.

Mr Hardeman: Mr Chairman, I would agree with Mr Galt that the issue of the need that is highlighted in the report was the subsidization in other jurisdictions. To me, what they said was that the farm income support programs were considered critical to increasing confidence in the sector. The driving force for the program to start with I don't think is part of this consultation. What they told us is that making sure that we have those support programs is very critical to the viability of the industry, to build confidence, to get people to invest in the industry. Even if they mentioned it, I'm not sure it would be a very helpful thing to report, to highlight that all.

1110

The Chair: Maybe we can clarify this after lunch, after a bit more research.

The next heading is "Manufacturing." Any comments?

Mr Christopherson: The last two sentences of the first paragraph under "Motor Vehicles": it says, "Labour called for the creation of a task force made up of industry stakeholders that would develop policy recommendations." The next sentence says, "Manufacturers said that the initiatives outlined in their submission could form the basis of a strategic automotive investment policy for Canada."

It is significant to note the difference between the two sentences as they're written. As it is, strategic automotive investment policy, quite frankly, is exactly what the CAW and others were calling for. But given the way it's worded, it just says, "Labour called for the creation of a task force made up of industry stakeholders that would develop policy recommendations." I realize it's nuance, but in the world of auto manufacturing, manufacturers and union representatives, it's huge. I know I'm being rather cavalier, but one is to suggest, "We'll set up a nice

task force and see if we can come up with recommendations.” The other one’s going to come up with strategic automotive investment policy, when indeed it was the CAW, I would argue, that was even more forceful about wanting a strategic framework for investment.

Again, it’s just that imbalance of impression that you get from reading the two. One just wants a task force to come up with recommendations. The other one is looking at a broader investment strategy, when indeed it was actually—I’m repeating myself—the CAW, I think, was in the lead in arguing that there needs to be a strategy and that it needs to be specific to auto. In fact, the same thing was said about steel. If we could rebalance that in some way, Chair, it would certainly make it easier for me to support.

The Chair: Any further discussion or comments on this?

Mr Christopherson: They had one discussion, those two. They had another discussion. None of them really knows what I said, which works fine. But now you’re in a jam. Who’s going to comment?

The Chair: Your point is taken and will be dealt with. We’ll go on to “Small and Medium-Sized Business.” Any comments under that heading? If not, then we agree that we’re satisfied with the wording under that heading?

Then we’ll go on to “Tourism and Hospitality.” Any comments or discussion? Is it fair to assume that we’re agreed upon the wording under that heading? I don’t hear any dissenting voices, so we’ll say it’s agreed upon.

Mr Hardeman: On the tourism one, it may have happened when I was out of the room, but did we have anybody coming forward who suggested they liked the idea of an extra hotel tax to encourage tourism?

The Chair: I think the Greater Toronto Hotel Association did mention that.

Mr Christopherson: Wasn’t it enabling legislation that they wanted? I remember having that discussion.

The Chair: I think so.

Ms Campbell: Could you repeat your question, Mr Hardeman?

Mr Hardeman: It says here, “Some witnesses asked for a municipal hotel tax or a destination marketing fee on hotel room sales.” I think that’s a very critical point in going forward to the minister, that the industry is supportive of that. In principle, I’m totally against it. I just don’t believe you’re going to get more people to come in because you told them they have to pay more when they get here and you’re using that money to tell them to come here. In principle, it has a problem. I don’t have any problem with it if we actually had the presenter saying they agree with that principle and then we write in the principle, but I want to make sure that’s exactly what they said. If they just said, “We would like enabling legislation so municipalities could make that choice,” that doesn’t mean they’re in favour of it. It just means that it should be a local decision. That deals with the other concern about the domino effect and so forth, but it’s different than saying, “The hotel and motel association came in and said they’re in favour of an extra tax to

promote tourism.” I think I need to know for sure what was said.

The Chair: OK. We can clarify that after lunch.

Mr Christopherson: I think we said that same thing, actually.

The Chair: We’ll go on to the next title or heading, “Education.” Discussion and comments?

Mr Christopherson: There was one commonality among the majority of presenters and that was a dollar figure as to what was needed. I would make the argument that, just as there were a lot of business people who came in and focused on the capital tax alone, who hit that note over and over, and there is a reflection of that here, conversely, I think there was a high degree of consensus around the issue of \$2 billion being needed to be re-invested in education. In other words, there were enough people saying that actual figure that I think it deserves at least a comment in here when we talk about what people would like in terms of an investment, only because it’s unusual for so many groups to agree on one figure, so I compare it to the capital tax. Those folks obviously had coordinated their messages, and that’s fair game in a pluralistic society. But conversely, that did happen with a lot of people coming in and talking about the education system. So I would ask that we have at least a reflection that a lot of groups called for an investment of \$2 billion. Right now there is an absence of that.

Mr Hardeman: I somewhat object to using a specific number, because I think if we look at the report that was sent to us and we look at total expenditures, when you put the package together, more than \$2 billion was needed to meet the requests that were presented to us, and they were in different areas. So I don’t think you can just in this case use the \$2 billion. When you talk about capital tax, we didn’t include in here what impact that would have or that they generally said there was a certain level that it should be at.

I don’t object to being a little bit more explicit about that, that they put forward that significant amounts of money were needed for certain things and so forth, but I think to actually say that everybody who presented on behalf of education said \$2 billion was needed—where the majority of presenters used a number, the number they had was not based on their particular issue. It was a number that had been handed or had been used in other presentations and they all, shall we say, sang from the same hymn book.

I don’t object to having it report that they asked for considerably more funding, but to actually say that everybody presented and everybody said that we need \$2 billion in the education system I think is going further than what I heard and I would object to it being worded that way in the report.

The Chair: Any further discussion?

Mr Christopherson: Yes. Fair enough, Ernie. I would agree with you except that we’ve got one problem, and that is, if you go back to page 5 and the areas that we’ve already covered, under “Personal Income Taxes,” the second-last sentence says, “Others sought an increase in

the level of income at which the top marginal tax rate applies. The figure of \$100,000 was suggested." That's a pretty high level of specificity, and I think it negates the argument you make.

I'll live with not including \$2 billion if you want to pull the hundred grand out. But I didn't really have a problem with the hundred grand, because it reflected what was said. So, to me, I'm not sure that your argument, in light of that, will hold.

1120

Mr Hardeman: I guess in order to make sure that we have unanimity on the report when we're finished, I would be more comfortable with removing the hundred thousand than I would with adding in a specific figure for what the presenters said. A hundred thousand was mentioned, but if we say, "Presenters said \$2 billion was required," I think there's a risk to say, "But not all presenters said that." What do we do with the good folks that came in and said, "If you just changed the funding formula so we could move the money around, we'd have sufficient dollars"? All of a sudden we're grouping them in with the \$2-billion request too. So I'd feel more comfortable if we take them both out rather—

The Chair: For the sake of time, we have to come back under that heading after lunch and maybe we can deal with removal of that at that particular point in time.

Mr Winter: I just want to address that last comment because I think it's unfair to equate the \$100,000 with the \$2 billion. The \$100,000 is a level at which a certain tax would cut in. That's a precise level that impacts on everybody. There's a reason for doing that, based on what salaries are. There's a rationale for that \$100,000. The \$2 billion is a ballpark figure. People are walking in and saying, "Two billion dollars is needed to bring the educational system up to a standard that we think is acceptable." There will be people who will debate that. I have no problem with dealing with it, but I don't think it's fair to equate one with the other because they're two different things.

The Chair: Any further discussion?

Mr Christopherson: I'm not sure where that leaves us, except that I think the argument for \$2 billion, again based on the fact that that was a common thread throughout and, given the fact that capital tax, personal income tax, payroll tax and retail sales tax all got their own categories because there was a common message from most of the business groups, to me, gives weight to the argument that the \$2 billion should be put in there. It is unusual, quite frankly.

Ernie, to turn your point and look at it a different way, it's unusual, given the broadness of the subject—education—that so many groups would come in with a common figure. There were some exceptions, but by and large that was a pretty commonly held figure, and I think that deserves to be reflected.

The Chair: Mr Johnston has a comment.

Mr Johnston: I was in a bit of quandary in what numbers to put in, in part because there are a couple of numbers that were frequently quoted to the committee.

One is the \$2.3-billion number which Hugh Mackenzie generated for the alternative budget report about a year ago. The other is the \$1.1-billion number that the Ontario School Board Association has generated as their estimate of the shortfall in education spending. Some groups quoted the \$2.3-billion figure; some groups quoted the \$1.1-billion figure. The basis of those calculations is another question, what factors are being used etc, so the easy choice was not to put any number in.

Mr Christopherson: The other thing to do with that, then, is to provide a range.

Mr Johnston: All right.

Mr Christopherson: It's just so significant, because what we are talking—

Mr Spina: Articulate the two perspectives. What's the big deal here? Articulate the two perspectives. One based on the source given here and one based on the other source. Put them both in here.

Mr Christopherson: I can live with—

The Chair: You know, it's your report. I'm only Chair.

Mr Hardeman: Mr Chair, I agree with the staff and I was going to, I suppose, question David's comment that the \$2 billion was very consistent. I don't believe it was nearly as consistent as that.

Mr Christopherson: But we haven't looked at it.

Mr Hardeman: It was such a variation of what was needed. There were other people who said that what we needed to change was how the money was given as opposed to the amount of money.

Mr Christopherson: Oh, no, no, no. You see, now there—

Mr Hardeman: There were different views and I object to changing the information by using one or the other, or even an average of the two, because that's being unfair to the people that presented. I think if it can be worded that "significant increases," or whatever—but I object to any specific number being used when there wasn't a specific number that was used by the presenters.

Mr Christopherson: Well, two things. One is, you're getting to the crux of the political issue. Of course, there's the one argument maintained by the government that there's enough money there, it's how it's being spent—just what you said—which is very, very different, light years apart from an argument that says it doesn't matter how you change the processes within, without more money you're not going to achieve the ultimate outcome we want, which is the kind of education our kids deserve.

The Chair: We don't seem to have agreement on this, so I think basically what we'll have to do is wait until this afternoon and call the vote. We don't seem to have common ground there.

Mr Christopherson: Well, my second point—and it speaks to that—was going to be that we ask the staff to take a look at that and see just how close we are. If \$1 billion to \$2 billion is used consistently throughout, then that's what we ought to say: a range. If, however, Ernie's point is correct that it really is all over the map—

some are under \$1 billion, some are over \$2 billion and there are only a few that are between, in the range—then I'm prepared to stand it down. If it's in the range, then I think we could at least reflect that, that there's a range.

The Chair: So we'll come back this afternoon with—

Mr Christopherson: I think so, Chair.

The Chair: All right. We'll go to the next heading, which is "Elementary and Secondary." I would imagine we probably could get agreement on that, and then we'll go to the subtitle "Flexibility."

Any comments or discussion?

Mr Christopherson: Sorry, did you say "Facilities"?

The Chair: No, "Flexibility," page 10. Are we agreed on this? OK, we seem to have consensus on that. We'll go to "Benchmarks." So we're agreed? Then we'll go to "New Initiatives." Any comments? If not, we'll go to "Special Education." No comments or suggestions? If not, we'll go to "Other Funding Grants."

Mr Christopherson: I'm sorry. Before we leave special education, there was just so much to this, I was just trying to see whether that statement encompasses it.

The Chair: If you want to think about it, we can leave it and come back to it this afternoon.

Mr Christopherson: Yes, I'll review it over the lunch hour.

The Chair: What about "Other Funding Grants"? Are we agreed on this one?

Mr Christopherson: Agreed.

The Chair: Then we'll go to "Equity in Education Tax Credit." Are we agreed on the wording? It looks like we have agreement on this one. We'll go to the next heading, "Post-secondary Education." Any comments, suggestions or any debate on this? Are we comfortable with the wording? It's agreed on. We'll go to page 13, "Health." Any comments or discussion under that particular heading?

Mr Christopherson: I was just concerned that the wording—and I know this is "the" issue for the staff trying to write this—understates the crisis that was reflected in the comments by almost all the presenters on health. It just seems a little too matter-of-fact. That's not a criticism. That's certainly where you'd end up trying to write a report that didn't generate too much controversy. But we have words like "concern"—we don't get to that until the last paragraph—and "Several witnesses called for stable, predictable funding." There were some people who came in here, right across the board in health care from all the disciplines, including consumers of health care, who were flat out: "This thing is in a crisis." I just think we're missing it in the words that have been chosen here.

1130

Mr Spina: If the word "crisis" were indicated in Hansard, then I could understand Mr Christopherson's perhaps wanting it to be inserted. I don't recall that anybody indicated it was in a full-blown crisis in that context. But if it's there, David, I can understand your wanting to have it dropped in.

Mr Christopherson: OK.

Mr Spina: I would ask for that to be checked.

The Chair: We can check on that quickly.

Mr Johnston: A lot of Hansard checking over lunch-time.

The Chair: Yes, I know. I don't know whether it's doable, but we'll do whatever we can.

Mr O'Toole: I think it can be stated without using the overt, engaging word "crisis." I think if we respond to what's actually occurring on the landscape, whether it's Romanow, Mazankowski, Clair, Fyke—there are about six reports out there now on health care, all indicating there are serious structural problems. I think that would probably be the most sophisticated way to state that these reviews aren't being done in some kind of vacuum. They're responding to the actual dilemma facing the provision of services under the Canada Health Act. If you listed all the reports that are out there, David, you'd see that whether it's in Newfoundland or BC, they may not be using the engaging word "crisis," but they're saying this is being studied because of severe pressures on the health care system. That's a much more contemporary way as opposed to the inflammatory "crisis."

The Chair: For the sake of time, again, I think the researchers will do a bit of research on it at noon.

Mr O'Toole: Just list all the reports.

Mr Hardeman: I agree with Mr Christopherson that in the first paragraph when we talk about the different organizations—the hospitals, the nurses, the regulated health professionals, the pharmaceutical companies—they all talk about continued investment in the health care system, and I would have to say that's not what I heard from them. They said that just continuing our investment wasn't good enough and that we were not keeping pace. I think I would agree that we didn't necessarily hear all of them come in with "crisis," and I don't think that's what we should be reporting. But I think we should be reporting what they were looking for, and the hospital association particularly was saying that much was needed in order to avoid the issues that seem to be on the horizon, the crisis that could be created if more isn't invested. I think we do need to be more explicit that they weren't just talking about continuing our present investment, that we need that.

The Chair: We'll see what we can submit.

Mr Hardeman: But I wouldn't go so far as to say the system was in crisis and that they were saying it was unsalvageable. That's what a crisis is, that a situation is unsalvageable. I don't think that was what we heard.

Mr Kwinter: I agree with Mr Hardeman. I think one way you might address it is in the third line on health, that others called for not "continued investment" but "increased investment." I don't think there's anybody who didn't ask for increased investment in the health care system. That, of course, is the major dispute between the provinces and the federal government, saying that the federal government is not increasing their participation. It seems to me that if that was changed, and it follows along "by both the provincial and federal governments," it would address that issue.

The Chair: OK. We'll discuss it further after lunch. We'll go to the subheading "Facilities Funding." Any discussion under that? If not, we're agreed on this. "Primary Care Reform"—any discussion or suggestions? Are we comfortable with it? We're agreed. We'll go to "Health Professional Recruitment and Retention." Any discussion? If not, that's agreed upon. Then we go to the heading "Housing." Discussion? Mr Christopherson.

Mr Spina: It's all slanted your way, David. I'm waiting to hear what you've got to say.

Mr Christopherson: Are you suggesting I should quit while I'm ahead? I want, nonetheless, to make the argument that I don't think it again reflects the—I'm going to use the word "crisis," because I don't want to just create another word. Listen, I was at a public meeting in Hamilton last night dealing with the crisis of homelessness in Hamilton, and the numbers are terrifying. When you start to go to the root causes of poverty and not just the symptoms, you find housing and lack of affordable housing and homelessness as a core component of that. There were a few hundred people at the public library dealing with this. So it's a huge issue. In the context of tax cuts and tax cuts and tax cuts, a lot of the issues around poverty get sort of lost. It seemed to me that this could be more reflective of what we heard and more reflective of the reality.

The Chair: Any further discussion?

Mr Spina: With due respect, David, I think it does go to that, because if you look at the middle of paragraph 1, it says, "The government was also called upon to explore innovative funding mechanisms that would encourage private investment.... It was suggested that in the absence of a provincial recommitment ... municipalities should be provided with adequate means to meet their ... responsibilities."

"Funding for second-stage ... housing was requested by several groups."

I think a lot of this really does hit that nail on the head, the nail that you're looking for. I think this covers the elements. If you wanted a specific statement interweaving what you just described, I'm not sure that we actually heard something that specific, to interweave them. But I think you should make that as a recommendation, to interweave them, when you get to the recommendation stage.

Mr Christopherson: I'll tell you what I'll do. I hear what you're saying. Why don't we just see how everything else goes this afternoon and try not to let this be a deal-breaker? We're probably not that far apart on this particular one. But rather than just sign off on it now, given its importance to me in terms of what I heard, I'd just like to have it stayed for this afternoon. But if everything else goes fine, I won't let this be the deal-breaker.

The Chair: OK. So we'll leave it aside for the time being and come back to it this afternoon.

We'll go to "Labour." Any discussion, additions, suggestions? Are we satisfied with the wording? Then it's agreed upon.

We'll go to "Legal Aid." Discussion? Is it agreed upon, the wording under that title? It looks like it's agreed upon.

"Social Services": Any discussion? If not, we're agreeable to the wording under that title? OK.

We'll go to the next heading, which is "Services for Persons with Disabilities." Any discussion or comment? If not, I'm taking it that we're agreed on the one paragraph under the title.

We'll go to "ODSP." Any comment or suggestions? I don't see anybody opposing.

"Funding Community Programs": Is it agreed upon? OK.

"Supporting Caregivers": It's agreed upon? OK.

We'll go to the next title, which is "Ontario Works." Any discussion under this particular title or heading? Then the wording is agreed upon.

We'll go to the last one, "Children." Any discussion?

Mr Christopherson: Under this category, just the fact that there had been cuts since 1998-99, making that point, because the government often—and I realize we may get into some difficult waters here, but here goes. For the longest time in the past, some government members had argued that these cuts didn't happen. That was a key component of what was brought forward this time, that there have been cuts, that it's not a question that it's a lack of total investment in terms of you've invested but that it's not enough. That's not the case, and that was dispelled in this round of presentations, in my opinion. The argument that actual fiscal cuts have been made in this area is so important that there ought to be some reflection of that as the starting point of talking about child care in terms of funding for child care.

1140

I'd like to see some kind of reflection that there have been cuts or that the cuts are now beginning to do damage. I realize I'm never going to get government members to agree to this wording, but if I can get you to acknowledge that that point was made, that it was legitimate and that it has serious implications for the ability of Ontario to provide appropriate child care funding.

Mr O'Toole: I probably wouldn't agree. I think the method of flowing the money through the supplement is the point of debate here, and will probably continue to be the point of debate, of having totally regulated child care. We can agree to disagree on that.

If I read through that, I think it is a fair reflection of the advocates who did speak and I'm surprised at the omission of some of the initiatives of the government that I'm sure were there. The Early Years initiative isn't even mentioned. So if I go through the litany of comments here that there were certainly initiatives, like Early Years as well as Ontario's Promise and other things, I'm just trying to offset that. It would appear here that there's been no action at all and I think our actions are different, maybe not supported by Mr Christopherson, but there are important initiatives, a series of things: early intervention, mothers at risk, the early literacy program.

Maybe I'm just going through the materials I read from memory as opposed to whether it was heard in committee, but if I go through here, there isn't anything on our side of the children's issue at all in this particular summation. But I can live with what's here. It is a serious concern, and on the issue of regulated daycare it's something where our government finds that our approach is different and fulfilling a need for low-income, hard-working families.

Mr Spina: To the specific issue of increased funding and very specific kinds of funding that were requested and brought forward by the delegates, David, I think that staff has done a good job of summarizing it here. While I believe I do recall some people indicating that there were in fact cuts regardless of what investments the government indicated, there may have been comments to that effect, whether they're legitimate or not, that's a debatable point and I don't know that just because a delegation came in and stated that, we should accept it as legitimate.

We may agree or we may disagree. To me, with all respect to the issue of children, it's no different than two different economic forecasters coming in with varying positions. They have come in with a specific set of comments and in their perspective they felt that there were in fact cuts to whatever the children's program was. I can understand their perspective; I don't have to agree with it. It may be legitimate, it may not be legitimate; we weren't in a position to verify that.

From the perspective of what has been said and written here, I think they've done a good job of trying to identify the areas: calling for increased government support; targeting children most in need; that a review should be undertaken of funding for children's aid; that several witnesses called for the elimination of the clawback; that "A variety of social policy advocates urged the government to transform the child care program from a targeted, subsidy-based system to one of universal, affordable access."

I think there's a number of elements here that cover off the presentations that were brought forward. I don't argue that they may have brought forward specifics on what they felt to be a cut. If it was there and they are specifics of their comments, then I can understand that and appreciate it. I think they've been addressed in a general way here. If you wanted them addressed based on a specific of what they said, I can understand that. Whether they're legitimate or not in the other elements of your comments, I think that's arguable and that should not be reflected in the report itself. It can be reflected, as I would suggest to you, in your recommendations.

The Chair: I'll go to Mr Hardeman, then come to you.

Mr Hardeman: My comments, I think, have mostly been made by my colleague Mr Spina. I think, though, the crux of the whole issue here is what the report is: the pre-budget consultation, giving advice and helping the Treasurer decide what should and shouldn't be in a budget that's upcoming.

The advocates on behalf of children who presented to us made a good presentation to outline the problems that they saw, and what we have here are their recommendations of how to deal with those problems. I think that's what we need to put forward to the minister as it relates to children. When we talked to the professionals who are working in the children field, they said, "These are some of the things that we could do in the budget to solve the problems." I think the issue of why there are problems or the root cause of them is important, but what's more important is what government and the Treasurer should do about trying to address those problems. I think that's what staff have done a good job of pointing out: what they said we needed to do in order to alleviate some of these difficulties.

So I think that for this report they have done a good job in highlighting what—if we were to address all the issues that they brought forward, and maybe there were other ones that we could find in there, further recommendations of what we could do for the children. But the ones that are here were definitely the ones that were mentioned to us that we should be looking at to improve the situation for those children.

So I'm quite pleased with it the way it's written, and I don't think we need to go any further as to things that were part of the discussion but were not related to what needs to be done to solve some of the problems that these good folks addressed.

Mr Christopherson: Well, listen, if you're the one who knocked the vase off the table and broke it, I can appreciate that you'd be interested in talking about how it's going to be fixed as opposed to who broke it and why.

But to take Mr Spina up on his point—I don't want to put words in your mouth, but I believe you said we weren't able to verify exactly what was said, and that's a fair comment—I would like to put forward that the coalition argued that the transfer payments for the non-capital component of child care have gone from \$593 million in fiscal 1998-99 down to \$523 million in 2001-02. That represents a significant cut.

Now, I'm prepared to stand by whether or not that's clear. If that's cloudy in some way, if one could make an argument, "Well, it's broken down into five different pieces," I'm prepared to waive the whole thing. But I would ask in return that if the staff can establish that it's pretty clear you've got a line item here and you've got a line item here and it's less now than it used to be, then I think, Joe, the argument has been verified and that we owe it to those people to at least make some reference. I'm not trying to win a knockout punch here, but some reference to that fact if indeed it's that clear. And if it's not that clear and it's even foggy, let alone confusing, I'm prepared to stand down my point.

The Chair: OK. So why don't we leave it until after lunch for the researchers to report.

With this, I would ask the committee if I could get unanimous consent that we come back at 2 o'clock instead of 1:30 in order to give them time to do the research. Is that agreed upon?

Mr Hardeman: Before I agree, Mr Chairman—

The Chair: I'm asking.

Mr Hardeman: —we are 10 minutes before 12, so they'll already get an extra 10 minutes.

The Chair: I know that, but—

Mr O'Toole: Let's make it 1:45. The only reason I say that—

Interjection: We accept 2 o'clock.

The Chair: Two o'clock?

Mr O'Toole: Yes.

The Chair: OK, we're agreed.

Mr Johnston: Those numbers that Mr Christopherson mentioned were numbers that research had supplied to the committee, which the child care people had quoted in their response to the committee.

Mr Christopherson: So you already consider them verified?

Mr Johnston: They're verified. They're from public accounts and estimates. So the question is what you want to do with them, that's all.

Mr Spina: In clarification, David, you brought the point forward to begin with. If that line-by-line comparison is apples to apples—

Mr Christopherson: It must be, because the numbers came from the researchers, Joe.

Mr Spina: But if the change, the reduction, is as a result of some other changes or of funds being moved over to another area—

Mr Christopherson: But, Joe, the point is that the reason they intervened just now is to say, "Hey, we already know that those numbers are correct because they got them from us."

The Chair: We'll continue the discussion later on this afternoon, once we have the figures in front of us.

This committee is recessed until 2 o'clock this afternoon.

The committee recessed from 1151 to 1402.

The Chair: If I can get your attention, we'll bring the standing committee on finance and economic affairs back to order.

Further to the discussion we had this morning, the research officers have provided us with some additional information. If we go back to the original draft that was submitted this morning and we go to "Fiscal Situation," we have in front of us a document headed "(1) Don Drummond's Comments on a Deficit in 2002/03." I think the committee had asked for some additional information with regard to Mr Drummond's comments. Ms Campbell, you may wish to give us a brief summary of what's in the report.

Ms Campbell: I went through Mr Drummond's submission to the committee on March 4, and it's the first item in your little package, "(1) Don Drummond's Comments on a Deficit in 2002/03." I've attached here three excerpts from the Hansard. The first one is what he said in his formal presentation when he was speaking through his brief; the second point is an exchange he had with Mr Phillips; and the third is an exchange with Mr

Christopherson. In each of those cases, he is talking about a deficit in the fiscal year 2002-03.

Mr Christopherson had asked that we check Hansard to verify what Mr Drummond had said regarding a deficit. Mr Christopherson had interpreted Mr Drummond's presentation as indicating that he was comfortable with a deficit. I don't feel comfortable with making that conclusion based on this Hansard, but if the members would like to read through that and come to their own conclusions, that's perhaps the best way at this point.

The Chair: Mr Christopherson, for your information, we just started and we just got a brief summary.

Mr O'Toole: We just adopted the report.

The Chair: No, we have not adopted anything. We just got a brief summary from the research officer. Further to that, I'm open for additional comments.

Mr Hardeman: Mr Chairman, I think our previous discussion on this issue was just to bring back the Hansard and to see what Mr Drummond had actually said, and that if he had said that he was comfortable or that he thought the best answer was a deficit, one would have to consider putting that into the report. That's not what I read in what he said, so I'm going to stick with the interpretation and the position that I had this morning, that the staff have done a good job of highlighting what needs to be said in that section. I would not support putting anything further about deficit spending in the report.

Ms Campbell: For the information of the members, in the paragraph on page 3 that begins, "One forecaster warned about the possibility of a deficit," that sentence and the following two or three are a summary of what Mr Drummond said to the committee. Even though he's not named there, that is a summary of what he had said.

Mr Hardeman: That's my point, that it's a reasonable assumption to interpret staff's comments as accurately reflecting what Mr Drummond said, and I don't believe it needs any further changes.

Mr Christopherson: If I can, Chair, I hear what's being said, but when I read what Mr Drummond actually said, on page 2 is the following: "But I just don't know how you sit here today with one month to go before the fiscal year and knock out \$4.4 billion, short of raising taxes big time, and I don't mean the types of increases BC did on the sales and excise taxes. It's easy for me to sit there; I don't have to do that. But if it were me, I would be conditioning that there's going to be some deficit of some extent in 2002...." I mean, that's just about as straight up as you're going to get.

Mr Spina: I think he's also saying that on the heels of what he said in paragraph 1, where in response to David's question that "you are advocating a balanced budget as a priority," he said, "I would be hesitant to advocate that, because I think it's almost out of the physical set of possibility. I would love for somebody to show me how you do it, but I don't know what point there is for me to recommend something that I don't see how you do, and I've asked many times how they'd do it.

I presume they have some options, but aside from some very large proceeds from privatization, I just don't see how that's possible."

Clearly, this is a subjective opinion on the part of Mr Drummond and he can't see it, but that doesn't necessarily mean that others may not have a different perspective on it. Just before your quote, David, he's pie in the sky: he said it could be \$4.4 billion, it could be \$3 billion, it could even be \$2 billion. It's a "wide range of uncertainty, so ex post I could see it. But I just don't know how you sit here today with one month to go ... and knock out \$4.4 billion," as you've indicated. But he's all over the map. You can't predict, and he doesn't know how it's going to happen; he's not even sure whether there will be a shortfall. He just thinks there will be a shortfall.

Mr Christopherson: Mr Hardeman made the argument that that's not what was in here, that he didn't say that, so how can we reflect it? I repeat, "But if it were me, I would be conditioning that there's going to be some deficit of some extent in 2002, and my focus would be on making sure that once that door is open it gets slammed back shut." I mean, he's advocating not that he wants it, but that the circumstances are such that that's the only reasonable thing to do.

Mr Spina: He can't see any way around it, that's all, and that's the point.

Mr Christopherson: That was my whole point, that that's pretty huge coming from him, and we ought to have something to that effect in the report if we're going to be dead accurate.

Mr Kwinter: The problem I have is that Mr Drummond is portrayed in different ways when it suits people's purposes. When there are conversations about the economists who appeared before our committee, he's introduced as probably the most respected economist that the banks have, and that he's usually right on. When he made his presentation, he stated that the deficit could be anywhere from \$3.4 billion to \$4 billion depending on whether or not the Treasurer decides to implement the same contingency fund that he's had in the past.

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Having said that, after he left here—and when we were at the committee hearings, I had his quote from the paper. As soon as he walked out, the press scrummed him and he said, "I've asked several times," and he refers to it in here. He's asked, he's never been given a satisfactory answer from the finance people, and he's saying, worst-case scenario—or best-case scenario, depending on which way you want to interpret it—the deficit will be a minimum of \$2 billion. He said, "I defy someone to tell me how it can't be."

He has factored in, he says in here, income revenue from selling off assets. Whatever way he does it, he's saying he sees \$2 billion that either will be a deficit or will have to come out of a reduction of programming. I think this is a fair reflection of someone who has said that. Whether you agree with him or not, that remains to be seen.

If you read Gerry Phillips's latest Treasury Watch, the Treasurer has a lot of flexibility to do all sorts of things that most businesses don't have the opportunity to do. So the figures may come out and it may be what they say, that there's going to be a \$140-million surplus, but not without some really creative accounting. So that's the point.

Mr O'Toole: I have no problem, if you want my view of it. I have great respect for Mr Drummond, and I would suspect he does provide a context for the options. One of those options would be a deficit, and it has yet to be determined how the numbers will be shown. They can show a more aggressive GDP number, which inflates revenue, and those could be in-year adjustments when the expenditures are actually booked. There are a lot of ways that governments are able to do that. But I have no problem with it actually being part of it, as long as it's in context.

The Chair: The issue we have to deal with is how we incorporate this into the wording under "Fiscal Situation," if it's not going to be agreeable to everybody, so that I can call a vote on it and so that we can get on with it. I'm looking for maybe some type of a motion that would introduce some of Mr Drummond's comments under the "Fiscal Situation" heading.

Mr Hardeman: I think, as I said earlier, staff have done a good job encapsulating the essence of his comments. He says right here as his answer, Mr Christopherson, "I presume they have some options, but aside from some very large proceeds from privatization, I don't see how that's possible." But he's presuming there are options that will balance the budget. I think the report encapsulates that, and I would move that we accept the report the way it's written.

The Chair: Is there any further discussion on that?

Mr Christopherson: There's at least one member of the government who was at least open to listening. It would have been nice to have an opportunity to try a piece of language on the floor as a motion rather than just "no further discussion." We could have done that this morning if we were serious about actually entertaining these things. There's a prime opportunity for it. I'm asking to allow a motion that actually has some wording, Ernie, rather than a motion that says no, just nothing. That's all.

The Chair: I've got a motion on the floor right now that says the wording as presented—

Mr Christopherson: I would hope we would turn that down in the interest of continuing the atmosphere we created this morning, which would mean at least listening to a motion that deals with the issue, but especially in light of the fact there's at least one government member who is open to at least looking at it and talking about it. So I would hope this would get voted down, and let us put something on the floor that we can actually look at.

The Chair: Or Mr Hardeman can withdraw his motion. I'm at your mercy.

Mr Christopherson: He doesn't have a seconder yet.

The Chair: I don't need a seconder on that, I just need somebody to move it.

Mr Christopherson: I know, but I tried.

Mr Hardeman: I guess in process, if David has further suggestions, they can amend my motion. But I think the Chair asked for us to make a motion to get some direction for the committee. If there's further discussion as to something that will catch the essence of what Mr Drummond said more accurately than staff have done so far, that could be put forward, but so far I think the resolution does that very well.

Mr Spina: On page 3 of the draft, the summary says, "One forecaster warned about the possibility of a deficit of more than \$3 billion ... it would be over \$4 billion if the contingent reserve were continued. While a balanced budget would require spending of more than \$2 billion less than in 2001/02, this was not considered feasible so close to the end of the current fiscal year." Clearly, that reflects Mr Drummond's comments directly, as I think Ms Campbell indicated to some degree.

Following that, "Instead, the government was advised to concentrate on the structural element of the deficit." Then it talks about other forecasters. I gather that the first part of that paragraph clearly reflects what Mr Drummond's comments are about—it summarizes them—so I think the terminology can stand.

The Chair: Any further discussion?

Mr Christopherson: I want to make it clear: I really came in here, and Hansard will reflect that, with an attempt to continue what we have done in the past, to work toward—if the government members are going to put forward a motion on the first item that comes back that says, "I move we just stand pat," and they use their majority to ram it through, then I can tell you right now that you can absolutely forget about any idea of trying to come to agreement on anything. Because if all you're going to do is play nice in the morning and roll in in the afternoon and use your majority to slap down any attempt at finding common ground, then I'm telling you ahead of time that you're not going to get any co-operation from me from this point forward. I'd be a fool to do so.

Mr Spina: David, the reason we put this off was because we wanted to see the actual quote to determine whether or not the summary in the draft adequately covered and reflected what you felt was articulated in the original comments. Now that I've seen the original comments by Mr Drummond and compared that to this paragraph, I'm satisfied that it's been reflected in the draft. I'm not trying to play politics here, David. I'm just satisfied that the way it was done in the draft is adequate, and that's the reason why we put it off until this afternoon. It's not like we're intentionally trying to kick this off right off the bat. I was always under the understanding that we wanted to see the original documentation, the original quote. We've got that, and I'm now satisfied that it's OK from my perspective.

The Chair: If there is no further discussion, I shall put the question on Mr Hardeman's motion.

Mr Christopherson: Recorded vote.

The Chair: Mr Christopherson has requested a recorded vote on Mr Hardeman's motion to maintain the status quo on the wording under "Fiscal Situation."

Ayes

Hardeman, Kwinter, Molinari, O'Toole, Spina.

Nays

Christopherson.

The Chair: The motion carries.

Then we go to, according to my notes, and I stand to be corrected—we had talked about the report headings.

Ms Campbell: When we were discussing taxes on page 4, Mr Christopherson jumped back to the "Fiscal Situation" and mentioned that a shortfall of \$3 billion to \$5 billion had been mentioned by the Minister of Finance during his presentation to the committee and he asked that we check Hansard for that reference.

The second item in your little package today is entitled "Minister of Finance's Reference to Spending Gap," and on that page there is an exchange between Mr Phillips and Mr Flaherty. In the third paragraph down Mr Phillips asks, "How big is that gap?" Mr Flaherty: "That gap could easily range between \$3 billion and \$5 billion, if certain assumptions are made." Then there is continued discussion about that gap.

If it's the committee's wish to include a reference to that statement by the minister, I would suggest the following. On page 3, about halfway down the page there is a paragraph that begins, "Many witnesses encouraged the government...." My suggestion is to move that paragraph to the end of that section and move the "One forecaster warned about" paragraph up, and add to the beginning of that paragraph a sentence: "During questioning the minister acknowledged the potential for a spending gap of between \$3 billion and \$5 billion in the 2002-03 fiscal year." Then go into "One forecaster warned about the possibility of a deficit...."

1420

Mr O'Toole: That sounds like a great compromise, really.

The Chair: Comments? Mr O'Toole.

Mr O'Toole: Yes. Technically, we voted on that section, I think. Didn't we?

The Chair: I guess we did. I wasn't aware that we had another issue to deal with there. I'm sorry for that.

Mr O'Toole: Well, we voted, though.

The Chair: If I can get unanimous consent to introduce that, I think it would be in order to—

Mr O'Toole: If I understand, you would be saying—if you look at it, before "Spending Priorities" there are two paragraphs. Move the "Many witnesses" to the very end and insert before "One forecaster" the Ministry of Finance comment that you can verify is there. Is that right?

Ms Campbell: Yes.

Mr O'Toole: Dave, I think that does take us a long way. It does get that number you're so concerned about on there—

Mr Christopherson: Yes.

Mr O'Toole: —without admitting that that's the solution.

Mr Christopherson: That works.

The Chair: Do I have unanimous consent to introduce that line in there even though we have voted? I apologize. I didn't realize we had another issue to deal with. So we do have unanimous consent and we will introduce that clause in that sentence. Thank you.

Before I go astray, I think we have another one. Someone had raised the concern about the report headings.

Ms Campbell: Yes. There's a third page in your little package, "Report Headings." I've put together under A the headings as they look at the present time and then I've got two suggestions for change. In the second, I've increased the size of the word "Taxes," which in our lingo is a level 1 heading, and kept the others, which in our lingo are level 2 headings, at the same size. In C, the second option, I've added numbers at the beginning of each of those headings.

Mr O'Toole: With your indulgence, I would go with number 2. I'll tell you, if we get into a numbering system, all the rest of it is just more blah, blah, blah on paper. It clarifies it for me. That's its priority.

Mr Christopherson: I liked the second one simply because it does make it so much clearer and it's unlike any other part. There's no renumbering of anything, John. It makes it very clear then that the taxes and everything said in there is a context for everything else, which was exactly my point. So I have to say the second one really goes a lot further to—

The Chair: One more comment from Ms Campbell.

Ms Campbell: Could I just clarify that you are referring to the one that appears under B?

The Chair: Yes, this one here. The one in the middle, Mr Christopherson.

Mr Christopherson: No, I'm sorry, C then. The first one really wasn't a suggestion, it's just what's there.

The Chair: That's right.

Mr Christopherson: So I'm looking at C; what you have headed as C. The one that has "Taxes" as 1, then 1.1 "Tax Cuts," 1.2 "Retail—"

Ms Campbell: The whole report would have to be redone that way.

Mr O'Toole: The whole report has to be renumbered.

Ms Campbell: OK.

Mr Christopherson: I don't see that as a huge problem, though, is it?

Mr Johnston: It's easily done.

The Chair: Mr Kwinter.

Mr Kwinter: We had passed this item earlier this morning, and as we proceeded through the report, I noticed the style that you used on page 10 under "Elementary and Secondary." I thought at the time I didn't want to revisit it because we were going to deal with it anyway, but I thought that if we used the same sort of style there, it might serve the same purpose without starting to go into all kinds of numbers.

Mr Christopherson: I can live with that.

Mr O'Toole: I can live with that too. A different font.

The Chair: Is everybody agreeable to that? I think it would make it much easier for the staff. It's just a matter—no?

Ms Campbell: No, actually what appears on page 10, "Elementary and Secondary," is a level 2 heading; "Flexibility" is a level 3 heading.

Mr Kwinter: I'm not terribly concerned whether it's level 2 or level 3. I'm just saying if you use the word "Taxes," and if you want to show that it's part of the basic concept of taxes, if you go to the typeface that you're using on "Flexibility" and "Benchmarks" it really shows that it's part of that. That's really my point.

Ms Campbell: So the committee is concerned about the lack of difference in the typeface?

Mr O'Toole: That's right.

Ms Campbell: OK.

The Chair: So, technically, I guess the heading will be a level 1, and the subheading will be a level 3. Am I correct in saying that?

Ms Campbell: We'll work out something with the font, as opposed to going with numbers.

Mr Christopherson: Something much clearer than what B does. B just doesn't quite do it. If people aren't comfortable going to C because it creates other problems, then I can live with it. But because there's such clear differentiation, it achieves the goal, in my opinion.

The Chair: So we're agreed on this?

Mr Hardeman: I have no problem with doing it that way. Just to confuse the issue more, the suggestion of number 2 is exactly the way it's being done under "The Economy." "The Economy" is separate. Then it has "Economic Outlook," "Fiscal Situation," "Spending Priorities." They're done the other way. So it gives us the three options. I don't think it makes much difference whether we go to "The Education" option or "The Economy" option.

The Chair: In order to clarify the situation, to make sure we're very clear on this, and I'm sure staff will do their best to accommodate the committee: the heading will be in italic or a certain letter form—darker, larger or whatever it is—and the subheading will be somewhat different, so there is a recognition that we are operating under a subheading. I think we can leave the staff to decide what they can produce quite readily and without redrafting the whole report.

Mr Christopherson: The words you've used could allow the first recommendation to apply. That is not quite enough. It's got to be a bit more than that. With that qualifier, I'm where you are.

The Chair: So we're agreeable on this? I think that concludes this section.

The next section we have to deal with is "Municipalities," dealing with the realignment of services. Ms Campbell or Mr Johnston?

Mr Johnston: On the downloading question, I did a check of Hansard. Most of the references to downloading or realignment of services took place in the context of other program areas, whether it be child care, housing or urban transit. I think that's why you don't see the

references in the section under "Municipalities"; it was dealt with elsewhere. The one municipality that raised this issue was the city of Barrie. In response to a question from Mr Phillips, Mayor Perri said, "From our point of view, our concern is more in terms of our inability to control it." The question here was the revenue-neutral nature of the downloading. So it wasn't a concern from that municipality.

Unless the committee wishes something else to be written into the section on municipalities concerning the realignment of services—

Mr Christopherson: If I can, I'd love to make a great argument, but I did stand by, as we all did, that a lot of what we ultimately chose would be dictated by what the record showed. Quite frankly, if it's that thin on the ground, in terms of that kind of wording, then I'll live with it as it is.

The Chair: So we're all agreeable on the wording under "Municipalities"? That's agreed to.

The next one we'll go to is "Environment and Energy." We had talked about the Kyoto agreement.

Ms Campbell: Mr Hardeman mentioned that he wanted us to check to see if a witness had gone into detail about the possible impact of ratification of the Kyoto Protocol. What I have done is take the Hansard of two presentations, one from Canadian Manufacturers and Exporters and the second from the Canadian Chemical Producers' Association. They have the number 5 on the top of them.

If you'd like to peruse what is said there and then provide some direction as to whether there's anything more you'd like added to that section of the report—

Mr Spina: In reviewing what is actually there, I think the statement that "Business representatives urged the province to encourage the federal government to engage in a full analysis of the economic, environmental and social impacts of the Kyoto Protocol prior to ratification"—they were concerned about the impacts of Kyoto, the economic impacts and the social impacts as well. I think this sentence summarizes their perspective and their concerns.

1430

Mr O'Toole: If I may, I agree that it's pretty much a lift there in terms of the last paragraph under "Environment." But when you look at it, clearly the paragraph starts with "Due to the lack of evidence that these conditions have been met, CME does not support ratifying the protocol at this time. We therefore strongly encourage the ... government" etc. "We believe that until the federal government has a national implementation plan in place that safeguards jobs and investment in Canada and allows us to make further progress in reducing"—in other words, the context I'm saying is that there's evidence submitted that the implementation of Kyoto without proper evidence could result in a loss of jobs.

The Chair: OK. I thought you had brought the concern about the loss of jobs under the heading "Electricity."

Mr Christopherson: I raised that.

The Chair: Oh, did you raise that? I'm sorry.

Mr O'Toole: But it's due to the lack of evidence, and that's how you factor that into even the sentences you have: "Business representatives urged" the provincial government "to encourage the federal government to engage in a full analysis." It's a bit softer than what I'm implying. "Due to the lack of evidence" are the words I would prefer to see in there: "Urged the province, due to lack of evidence, to encourage the federal government to engage in a full analysis." Because all of them said it; Drummond said it as well, I believe. There hasn't been any definitive study done.

Mr Christopherson: Then we're getting into argument. I'm prepared to live with what's there, not because I agree with it—I totally disagree—but they did come in and make that case when the issue was brought forward. It seems to me that if you go much further than that, you're really getting into subjective argument rather than an objective reflection of what was said.

Mr Hardeman: I guess I kind of fall between the two. I believe that in this report we do have to recognize what we heard and not whether we agree or disagree with that position. We did hear that from these presenters.

I think a little bit stronger may be appropriate, because we heard it a little bit stronger than this. This says the province should just make sure studies are done to show the impact and then they should ratify it. The report actually says we should tell them not to ratify it if these impacts are there, if they've done their studies. I really don't think it's going to make that much difference, because the end result is that we're making recommendations for the budget. Whether the province pushes for the studies to be done or pushes for not signing Kyoto, I don't think, is going to have a major impact on the budget. Either way, the impact is going to be if there's negative impact from doing it. This says they shouldn't do it at this point in time. I would support just leaving it the way it is.

Mr Kwinter: Mr Chairman, this morning I suggested that we add one more qualification, and that was political. Now that I see the transcript, I remember that at the time, that issue was raised. It says in the last paragraph, "We cannot allow political agendas and timelines to override Canada's and Ontario's economic and social objectives." That's a critical area, because we have to move in tandem with the United States. We can't have Canada supporting the Kyoto accord and the United States not doing it, because then it puts us at an incredible economic and trade deficit. So the political considerations are absolutely critical.

If the United States does it, then we're on a level playing field. We may want to do more or less, but at least there is a recognition that—and I don't think anybody disagrees with the fact that the Kyoto accord set standards that everybody adheres to. It's really the politics, and when I talk about the politics, I'm talking about the lobby groups in both Canada and the United

States who are trying to make sure it doesn't put them at a competitive disadvantage with other jurisdictions.

So I would suggest, as I did this morning, that we just add that there has to be a full analysis of the political implications as well.

The Chair: Are you willing to move that?

Mr Kwinter: Sure.

The Chair: Mr Kwinter has moved that we add the word "political."

Mr Christopherson: Well, here we go; we start to get into this area. I completely disagree with Mr Kwinter. I don't believe we have to move in tandem with the Americans on this. There are enough things that circumstances force us to go along with without picking up areas where we have shown leadership and can continue to show leadership. The competitiveness issue has to be factored in, but to just throw our hands in the air and say, "We don't have a choice for a sovereign position. We've got to do whatever the Americans say"—even in areas where that may be circumstantially true, we don't say that. So if you're going to go anything beyond, really, what's here, which I so vehemently disagree with—and there's nothing to offset it, but then nobody raised it, so I don't have an argument to make in that sense. I can live with this. If you start monkeying with it and adding more, it's going to create a huge problem, because then we do get into the politics of it, Monte.

Mr Kwinter: I'm not trying to get into the politics of it. You're sucking and blowing at the same time. On the one hand, you say that if it says it here, I have no problem with it. I didn't say that. I'm saying they are saying it, and it's a very serious implication that they are raising. I didn't say it. Read it. They are saying it.

Mr Christopherson: They also don't say anything about us having to follow the Americans in tandem; you did.

Mr Kwinter: No, no, no.

The Chair: Mr Hardeman, and then I'll have to call the vote on it.

Mr Hardeman: As I said earlier, I was willing to accept what's here, but I guess I have a question to Mr Christopherson. When the parties made these presentations, they had a simple way of explaining it. If more stringent rules apply in Windsor than they do in Detroit—the impact on the atmosphere doesn't make any difference; up in the atmosphere, there is no international border—all of a sudden it makes the auto plant in Windsor less competitive than the one in Detroit because they didn't agree to it and we did. How do we protect our auto workers in Windsor if we haphazardly sign the agreement and our American neighbours don't?

Mr Christopherson: Two points. One is that by the time you finish including the trade-offs that were allowed in the watered-down version of Kyoto, I'm not sure that Windsor would be all that adversely affected in the first place. Secondly, Canadian kids die just as dead as American kids if somebody doesn't start showing some leadership on these issues.

Mr Hardeman: I guess, going back to the presentation—

The Chair: I will call an end to the discussion.

Mr Hardeman: Going back to the presentation, they made it quite clear that that was their concern, how it would make our industry uncompetitive because of the different rules on different sides.

Mr Christopherson: But isn't that captured by saying "an analysis of the economic" impact? If you're going to talk competitiveness, it's hard to say that's not an economic issue.

The Chair: It appears to me that it is going to be difficult to get unanimous consent on this one, so I'm going to call for the vote on Mr Kwinter's motion that we add the word "political": "environmental, social and political impacts." Is that what you're suggesting?

Mr Kwinter: The "economic, environmental, social and political impacts."

The Chair: You've heard the motion. All those in favour of that motion? Those opposed? The motion carries.

Mr Christopherson: Could I have that recorded, please?

The Chair: I don't have any problem with that. We'll go on a recorded vote.

Ayes

Hardeman, Kwinter, Molinari, O'Toole, Spina.

Nays

Christopherson.

The Chair: I'll call all the votes recorded from now on.

Mr Christopherson: If you would, please.

The Chair: It would make it easier.

Mr Christopherson: You've lost unanimity anyway, so there's no sense spending a whole lot of time this afternoon, but go ahead.

The Chair: What about "Electricity"? Is everyone satisfied? I don't think there were any concerns about that.

Mr Christopherson: That was the one with jobs.

The Chair: OK. Mr Johnston, then. I'm sorry.

Mr Johnston: Again, I checked Hansard for the nine days of hearings to try to ascertain if there were concerns expressed about job losses in connection with electricity privatization. The one reference I was able to find was by Mr Hargrove in response to a question, I think again by Mr Phillips. I quote from Hansard: "On the deregulation and privatization of Hydro, our assessment has been that this is going to be a disaster, and every company we deal with says the same thing.... We represent ... some 1,500 different employers in Ontario, and I haven't found one that is supportive of what the government is doing here or sees it as being something they even want to gamble on. All of them are saying that they believe this is a mis-

take and it's going to be costly to them as corporations and to their ability to compete and their jobs. We have a cost advantage today in this area that they say they're going to lose."

1440

That was the only reference I was able to find to job losses in connection with electricity deregulation. If the committee wishes to have something added in with respect to that—

Mr Christopherson: I'm assuming there is no implicit suggestion that just because it was a labour leader, it doesn't carry the same weight as what somebody else might say. It still was said by someone who represents a lot of people in this province, right?

Mr Johnston: It's up to the members to decide—

Mr Christopherson: When you set it up, you said, "I didn't find any reference. Oh, by the way, there was just this one." And it was like, "Oh, that one happened to be Buzz Hargrove." You know, he represents a lot of people.

The Chair: Any further discussion?

Mr Hardeman: Again, in support of the way the report is presently written, I think it's important to recognize that the Hansard reference to jobs that was read out was a third party reference: "People I talked to told me that they could see a risk to jobs." He wasn't responsible for the jobs; he had just heard from other people. I don't think that is a reference to—it's not who it is; it's that he wasn't talking about his personal knowledge of the jobs. He was talking about what other people had told him. So I support the way it is presently written.

Mr Christopherson: Well, one group asked for protection from excessive rate increases for a year. It happened to be the Windsor chamber of commerce. One group. They got a reference in the one paragraph we devote to this huge issue. "Another reported that its members were concerned...." That could be a reference to Buzz; I'm not sure. "Still others supported opening the market...." Again, all these one-off references, but the one that talks about jobs isn't going to find its way in here? I think it's a little shy in terms of raising the public debate that exists around this issue.

Mr Hardeman: I think the reference that the individual who made the presentation on was what he asked for, which was that he would fit into, I expect—and I would have to read the Hansard—"Some called for a complete halt to the privatization process." Then he went on to say that some of his reasoning for this request was what he had heard from his membership and from the employers, as a third party. But he is referenced as to what his position was on electricity. I think I'd make a case that he would be one of the groups generally that had different positions on the privatization of Hydro. He would be one who would say, "Stop it. Every place I've looked at it, it's bad news, and so we don't want to do it." That was his opinion, and I think he's referenced in there.

Mr Christopherson: I still think the issue of jobs is so important, and job loss is such an integral part of the—

Interjection.

Mr Christopherson: Sorry, John. Did I interrupt you?

Mr O'Toole: It is all about jobs, really.

Mr Christopherson: Right, and given that it is all about jobs, the fact that somebody raised a concern about loss of jobs is something that ought to be referenced in here. That has been my point all along—one quick reference. Again, one group asked for protection for one year, and they got a reference. One group, one reference: the Windsor chamber of commerce. I have agreed it ought to be in here. It was an important reference that they made. All I'm saying is that when someone like Buzz Hargrove comes in here, representing that many people in the province, and talks about electricity and about jobs, that ought to carry weight. That is, in large part, what elected labour leaders like Buzz Hargrove are there for. If the chamber is going to get one reference, which I support, then I think the issue of potential job losses, as part of the public debate, which it is, as Mr O'Toole has just underscored, should be reflected here. All I'm asking for is a one-off that makes a reference to those concerns. You could even say, "One presenter raised the issue of potential job losses." I can live with that.

The Chair: Before I go on to committee members, I think Mr Johnston would like to clarify a point.

Mr Johnston: Just one clarification: the one-offs that are referred to here are cases where a witness or presenter made a recommendation that was explicitly tied to electricity deregulation. In this case, the issue of job losses and deregulation was not a recommendation made by the presenter or the witness to the committee. It was something that came up in the course of the discussion after the presentation. That's my only reason for identifying who the presenter is in the context of the discussion. So just to clarify, they were not excluded because of the nature of the group or the individual who made the presentation, but because that was not part of their formal presentation to the committee or part of their formal body of recommendations. If the committee wishes to include that reference, by all means, it's possible to do so, but I'm just explaining that partly what goes in the report and what doesn't go in the report is based on the recommendations that the witnesses make to the committee in the first place.

Mr Christopherson: Fair enough.

The Chair: I'll have to put the question on the issue. I think there's been enough discussion. It will be a recorded vote. All those in favour of maintaining the status quo, the wording of—

Mr Christopherson: No, no. I want to move a motion that there be a statement along the lines as I just made.

The Chair: OK. So you're moving that we add a clause or a sentence—

Mr Christopherson: That we include a sentence that says that at least one presenter raised the issue of potential job losses. It's that straightforward.

The Chair: Is there any further discussion on the motion? If not, and it's a recorded vote, all those in

favour of Mr Christopherson's amendment or addition of a sentence that reads something of potential job losses?

Ayes

Christopherson, Kwinter, O'Toole, Spina.

Nays

Hardeman, Molinari.

The Chair: The motion carries. That completes the heading "Electricity."

Then we go on to "Business Sectors," under "Agriculture." Someone had raised concerns about US subsidies. Do we have any research on this available?

Ms Campbell: I was unable to read the Hansard of the exchanges between the representatives of the Ontario Federation of Agriculture and the committee members, but I did go back to the brief. In the brief, they have a couple of recommendations that fall under the heading of "Farm Income Support." The two recommendations there are very general. I'll read both of them: "OFA asks that it be fully involved with the Ontario government in the development of a made-in-Ontario safety net plan proposal and the upcoming consultations on the federal-provincial Whitehorse farm policies," and "OFA asks that existing farm support programs be continued and enhanced through 2002 and that unspent funds from prior years be carried forward into these programs."

It goes on to say, "If Ontario's agricultural sector is to reach its potential, then we need to encourage investment in the opportunities in agriculture. This investment will only come when farmers are confident that Ontario is the best place to farm. Agricultural investment will improve when the government is committed to providing adequate farm support."

The Chair: Discussion or comments?

Mr Hardeman: I was going to say I couldn't have said it better myself.

Mr O'Toole: You probably did.

The Chair: I think really, in all honesty, the report does reflect that. So it's agreeable to maintain the present wording under "Agriculture"? OK.

Then I think we had something under "Manufacturing."

Ms Campbell: Yes, under "Motor Vehicles." At the end of the first paragraph there are two sentences which read, "Labour called for the creation of a task force made up of industry stakeholders that would develop policy recommendations. Manufacturers said that the initiatives outlined in their submission could form the basis of a strategic automotive investment policy...."

Mr Christopherson expressed concern about the use of the words "task force" for the reference to labour and a "strategic automotive investment policy" from the manufacturers' presentation.

My suggestion for a possible change is as follows: that we remove the two sentences at the end of that first

paragraph, and at the beginning of the second paragraph add the following: "Both labour and manufacturers recommended the creation of an auto policy strategy," and then go into, "On other issues, labour and manufacturers went in different directions."

The Chair: Comments?

Mr Christopherson: I can live with that.

The Chair: Can everyone live with this?

Mr Spina: Yes.

The Chair: We're agreeable to this, so we'll change the document to reflect that.

The next issue to deal with is under "Tourism."

1450

Ms Campbell: On page 9, in the second paragraph under the heading "Tourism and Hospitality," the sentence reads, "Some witnesses asked for a municipal hotel tax or a destination marketing fee on hotel room sales."

Mr Hardeman felt there should be more description provided concerning the destination marketing fee. I went back to the brief presented by the Greater Toronto Hotel Association and would suggest the following change in wording, based on what they said in their presentation: "Some witnesses asked for a municipal hotel tax or enabling legislation that would give the sector the option to apply a destination marketing fee to hotel room sales at the request of the local accommodation industry."

The Chair: You've heard the recommendation. Any discussion?

Mr Christopherson: Did they actually say that their preference was a municipal hotel tax and then the enabling?

Ms Campbell: No. Some witnesses asked for a municipal hotel tax. Perhaps the wording should be: "Some witnesses asked for a municipal hotel tax, while others asked for enabling legislation that would give the sector...."

Mr Christopherson: Have you got who the two were? I only recall hearing one, but that doesn't mean it didn't happen. I thought they were pretty emphatic about making it clear that they weren't asking for an across-the-board tax; they wanted the ability for local communities—

Ms Campbell: There were some non-industry people who spoke to the issue of a municipal hotel tax.

Mr Christopherson: Perhaps, to be clearer, we should state that people in the industry asked for blah blah, and whether you make the other reference I leave open to debate. But I think we should be clear, because they were. They were very clear that they didn't want the heavy hand of government across the board. "Let us do this in each community," was their request, as I recall.

Mr Hardeman: I think it goes even slightly further. I think the industry would be very emphatic about the province setting a tax and then spending it province-wide to encourage tourism. They were talking about the local ability to set levies and direct the resources toward encouraging tourism into their local communities.

I agree with Mr Christopherson: if that was the position of the industry, I think we should just say that the position of witnesses from the industry was that this is what they wanted. If someone else made a presentation that said, "We want a hotel tax," we would reference that separately, if it needs to be referenced at all. Forwarding a report saying they said that in this budget they'd like the province to put on a hotel tax, I don't think, would go over really well. Those who hadn't heard the presentations would take a different view of that comment than we would here, knowing what they were talking about.

Ms Campbell: Would it be the committee's wish, then, to replace the first sentence in the second paragraph with something along the lines of: "The accommodation industry asked for enabling legislation that would give the sector the option to apply a destination marketing fee to hotel room sales at the request of the local accommodation industry," and remove "Some witnesses asked for a municipal hotel tax"?

Mr O'Toole: That sounds more like it.

Mr Christopherson: I think so.

The Chair: I've got to go to Mr Spina.

Mr Spina: I don't think we should remove the fact that some witnesses asked for a municipal hotel tax, because that is in fact what's in there. But I would agree with the rest of it, that you identify, rather than "others" seeking a destination marketing fee, that industry or accommodation stakeholders, or whatever phrase clearly identifies people from the industry as requesting the enabling legislation. But don't leave out the other, because some people did make that proposal.

Mr Hardeman: I think it's very important, and I'm going to disagree with my friend Joe: I think it's important that we take out that somebody asked for a hotel tax without being able to define what they really asked for. If we're sending a report to the treasurer saying, "We had some witness coming in and asking us to put on a hotel tax," that's not what we heard. What we heard was people wanting the ability to have some form of charge to the industry to help promote the industry, and I think we need to describe it that way rather than saying that people asked us to put on a hotel tax without being able to describe what it is, how it is to be put on and what they are going to use it for.

I would encourage you to leave the words "Some witnesses" but I would add the words "from the hospitality sector asked for" and then "a destination marketing fee on hotel room sales."

The Chair: I don't want to throw gasoline on the fire, but this is in the Greater Toronto Hotel Association presentation. The last sentence in the paragraph says: "We have sought and received legal advice that it is not a tax. It is voluntary for the industry and could only be implemented by a democratic vote."

I don't know what that means, but—

Mr Spina: You're talking about the destination marketing fee?

Mr O'Toole: I'm somewhat more familiar with it, because there are several sites like Ottawa, like Toronto,

and including other destination spots, that have lobbied aggressively, and they haven't been able to, because we aren't going to increase taxes; it's that simple. What they're trying to do here is do it at a local district level through some municipal mechanism. That was where they were. Toronto could implement it, collect it on all the hotels and use it to market, whatever, but we're not doing it. That's the background, and Rod Seiling knows it.

The Chair: Does what we have on the table now capture the flair?

Mr Spina: Yes.

The Chair: Does it capture what the committee wants if we write it as Ms Campbell suggested?

Ms Campbell: I'm a little confused at this point.

The Chair: So am I.

Ms Campbell: There are two options—

Mr Spina: Read it out as it was before I spoke.

Ms Campbell: Before Mr Spina spoke, I suggested removing "Some witnesses asked for a municipal hotel tax" and rewriting that sentence as, "The accommodation industry asked that enabling legislation"

Mr O'Toole: "... asked for a municipal hotel tax or a destination marketing fee on hotel rooms."

Mr Christopherson: I'd take out "hotel tax" and leave it as "destination"

The Chair: It's a destination fee they're calling it, yes.

Mr Hardeman: I'm not sure it matters—

The Chair: I have to go to Mr Kwinter first.

Mr Kwinter: I just wanted to speak to that. The impression I get when I read this is that the municipalities want to raise more taxes, and they're going to tax people who come into hotels. When you read it, it's a municipal hotel tax, whereas in fact this is an initiative of the hospitality industry, who are saying, "We don't want to raise more money for the municipalities; we want to raise more money for ourselves so we can market our industry."

If you leave in this "municipal hotel tax," it could be misconstrued that the municipalities are saying, "These people are coming in, they're using our infrastructure, they're doing everything else. We're going to put an additional tax on them." I don't think that was the intent.

What we just heard from Elaine, where we take out "municipal tax," takes away any ambiguity that the municipality is doing the taxing and lets it be that the industry wants to be able to levy a fee, a tax, whatever you want to call it, so they can enhance their marketing for the industry. That's the intent I get from their presentation.

Mr Hardeman: I totally agree with Monte. As you, Mr Chairman, read the last line of the presentation from the hotel association, they have a legal opinion that it is not a tax, so I don't know why we would suggest that it is in our report.

Ms Campbell: There were witnesses from outside the sector who did talk about the introduction of a municipal hotel tax.

Mr Hardeman: But that's a different issue. Here we're talking about the hospitality industry wanting the ability to levy a fee from its members to help promote their membership—union dues. That's not a tax; it's a fee for service. In the labour movement, it's based on your earnings; in the hotel business, it's based on renting the room.

The Chair: So does the wording now as suggested capture what the committee wants?

Mr Christopherson: The way it is now?

The Chair: No, the way Ms Campbell just read.

Ms Campbell: Removing the first part of that sentence.

The Chair: That's what I'm referring to. So we're agreed on it? OK.

Then we go to "Education."

1500

Mr Johnston: Mr Christopherson had raised the issue of the absence of specific amounts in terms of requests for overall funding increases to the funding formula, so I have suggested the insertion of a third sentence in the first paragraph under "Education" on the bottom of page 9. That sentence would read: "Overall funding increases in the range of \$1.1 billion to \$2.3 billion were called for." I think that accurately reflects the range of figures that were frequently quoted to the committee.

Mr Christopherson: I would so move, Chair.

The Chair: Discussion?

Mr Spina: Agreed.

The Chair: Are we agreed?

Mr Hardeman: Mr Chairman, I think it's going right back to the same discussion we had this morning. I think when we're looking from \$1.1 billion to \$2.3 billion, it could be from zero to \$2.3 billion too, because there were a lot of people who never spoke to needing money in education. They were speaking about something totally different.

I think the report presently talks about what it is that the presenters felt that we needed in the system and I would support the way it's written rather than adding the line that relates to the magnitude of the size of what individuals asked for.

The Chair: If there is no further discussion I'll put the question that Mr Christopherson moved, that we introduce one more sentence that reads, "Overall funding increases in the range of \$1.1 billion to \$2.3 billion were called for." I'll ask for a recorded vote.

Ayes

Kwinter, Christopherson.

Nays

Hardeman, Molinari, Spina.

The Chair: The motion is defeated. We go on to "Health," page 13. I guess I'll ask Mr Johnston to give us his findings.

Mr Johnston: The suggestion again this morning was that the opening paragraph understated the concern by all presenters that health care is in a crisis in Ontario. I did a check of Hansard. The word "crisis" was used frequently throughout the presentations, but surprisingly more often in sectors other than in health care. That is, in part, why I've also included a suggested amendment to the section on "Housing." But for "Health," I'm suggesting that the last phrase in the first sentence could be changed to: "And others urgently called for increased investment in the health care system by both the provincial and federal governments."

Mr Christopherson: So really all you've done is add the word "urgently."

Mr Kwinter: And "increased."

Mr Johnston: And "increased" instead of "continued investment."

Mr Christopherson: And "increased," right.

Mr Kwinter: The other one said, "continued investment."

Mr Christopherson: Right. OK, so moved. I so move, Chair.

The Chair: OK, Mr Christopherson has moved that.

Mr Hardeman: I'll second it.

The Chair: All those in favour? I guess we don't have to have a recorded vote. Everybody's unanimous on it.

It's just been pointed out by the clerk also that I have to go back to page 11 under "Special Education." There was something we did not agree on. I cannot recall what the issue was there.

Mr Hardeman: I think Mr Christopherson just mentioned that was quite an important issue and he just wanted to reconsider it and think about it over lunch.

The Chair: That's right.

Mr Christopherson: And given the way the conversation's gone, I know exactly where my arguments are going to go, where they'll end up.

Mr O'Toole: Don't be like that.

Mr Christopherson: If you want me to take some time to go through them, John, I will, but at this point—

The Chair: We'll just agree to agree that the wording is OK? Thank you. So that's agreed upon. We'll go back to "Health." No, I guess we're done with "Health." "Housing" is the next issue, page 15. Mr Johnston.

Mr Johnston: Mr Christopherson had suggested this morning that the "Housing" segment was not sufficiently reflective of the state of crisis or concern about housing in the province, so I suggested a possible new first sentence to state, "Many witnesses stated that there is a crisis in affordable housing in Ontario at present."

Mr Christopherson: At the very least we should be saying that, so I'll move that.

Mr Hardeman: I'll second it.

Mr Christopherson: I wanted it a little bit stronger.

The Chair: Discussion?

Mr Spina: "Many" as opposed to "several"?

Mr O'Toole: "A couple."

Mr Christopherson: What was reality? Were there many?

Mr O'Toole: One, David.

Mr Christopherson: No.

Mr Spina: Are we talking about six or seven versus two said there was a crisis? I don't mean to put you on the spot.

Mr Johnston: Actually, when I went through Hansard looking for the word "crisis" with respect to health care it kept coming up under affordable housing, probably seven, eight, nine, 10 times, in that range.

Mr O'Toole: How about just a number.

Mr Christopherson: Now you want a number.

The Chair: Let's not cut it too fine here.

Mr Spina: I didn't mean to split hairs, but I could not recall the frequency. You clarified it. I can't argue with "many" at seven or eight or nine; "several" to me would be two or three.

Mr O'Toole: I would like to change it to "A number of witnesses stated that there is a crisis in affordable housing in Ontario at present." It's not "many" or "most," it's "a number."

Mr Kwinter: We didn't say "most."

Mr O'Toole: You said "many."

Mr Kwinter: Your colleague just said that he accepts "several."

Mr O'Toole: I just say "a number" is much more palatable. I would support that it's—

The Chair: We would have to have an amendment to the motion, Mr O'Toole.

Mr O'Toole: To amend that to "A number of witnesses stated that there is a crisis in affordable housing in Ontario at present."

Mr Christopherson: You'd better not vote for this, Spina.

The Chair: I'll call the vote on the amendment to the motion that Mr O'Toole is moving, that "A number of witnesses stated," as opposed to "Many witnesses." It's a recorded vote.

Ayes

Hardeman, Molinari, O'Toole.

Nays

Christopherson, Kwinter, Spina.

The Chair: I'll vote with the motion; in other words, to leave it as suggested: "many."

Mr Spina: Thank you for defeating the amendment.

The Chair: Yes, I'm defeating the amendment.

Mr Hardeman: How did we get a tie vote?

The Chair: There are three.

Mr O'Toole: Joe didn't vote for it.

The Chair: We have a motion on the floor moved by Mr Christopherson stating, "Many witnesses stated that there is a crisis in affordable housing in Ontario at present." A recorded vote.

Ayes

Christopherson, Kwinter, O'Toole, Spina.

Nays

Hardeman, Molinari.

The Chair: The motion carries.

Our next topic is "Children." I will ask Mr Johnston to please report on that one.

Mr Johnston: The suggestion was made this morning that there wasn't enough reference in the section on "Children" to comments from child care advocates with respect to the decline in government funding of direct, non-capital child care expenditures, and figures were discussed this morning. I suggested a new final sentence that could be added to the second paragraph: "Child care advocates called for an end to reductions in government funding of direct, non-capital child care expenditures that have taken place since 1998-99."

Mr Kwinter: On a point of information: If I recall this morning when we talked, the question revolved around whether this was a factual statement and the information was provided by research. Is that correct?

Mr Johnston: Yes.

Mr Kwinter: So it really isn't a matter of opinion as to whether this has happened; this is a fact. We've asked the research department to bring us those numbers. Those are the numbers and this is just to reflect that. So it isn't a matter of saying, "We don't agree. We think we spent more money." This is an impartial statement of fact, looking line by line. I just wanted to make sure that we clarified that so that we understood. Is that fair?

Mr Johnston: This is public accounts and the Ministry of Community and Social Services estimates figures that are represented.

Mr Christopherson: Having raised this, my preference would still be to have the actual dollar figure shown, but I can live with the language that's here and I think it encompasses what Monte has just said. So I will move the language as recommended in front of us.

The Chair: This is the one that Mr Johnston has reported on?

Mr Christopherson: Yes, "Child care advocates called for an end to reductions in government funding of direct, non-capital child care expenditures that have taken place since 1998-99."

Mr Spina: I'll oppose it because I think the last sentence of the third paragraph, in my opinion, essentially covers that.

1510

The Chair: If there's no further discussion, I'll put the question on Mr Christopherson's motion. It's a recorded vote.

Ayes

Christopherson, Kwinter.

Nays

Hardeman, Molinari, O'Toole, Spina.

The Chair: The motion is defeated. The wording under "Children" remains the same. I guess that completes the report itself.

Mr Christopherson: Just on a point of privilege: I want to say that I'm really disappointed that the committee—in particular government members, but not exclusive to the government members—wasn't prepared to work a little harder to try—

Mr Spina: Huh.

Mr Christopherson: Let me say my piece—to work a little harder to try to find unanimity. I had every intention of wanting to support at least the factual basis of what was reflected, because I consider it a partial failure on the part of all of us that we could go through all these hearings and not even agree on what we heard. The interpretation is bound to be different, but we couldn't even agree on what was heard. We did it last year. I think we did it for a number of years before then. We failed this year. I think it's because there just wasn't enough interest in working that hard to achieve something that was attainable. It's disappointing. I think, collectively, we've let the people of Ontario down. I think the government members have to bear some responsibility. It was their majority votes that created this in most of the cases this afternoon. It's a real disappointment; a lot of effort wasted.

Mr O'Toole: I'd just like to balance that on the record. I believe there's been a significant willingness on the part of the government to amend many of the staff summations in this draft report, many of them unanimously and many of them recommended by the NDP and the Liberals. We did not get total unanimity, but I think we've moved a long way forward. I think there has been work, effort and commitment on behalf of the government. So I think that needs to balance the record. David feels we haven't worked hard. He can speak for himself on that.

The Chair: The next issue we have to deal with is the recommendations that we have in front of us. I don't know if you have all the copies of the government and the Liberal recommendations. I don't know if you have anything to submit, Mr Christopherson, at this point.

Mr Christopherson: We're going to encompass it all in the dissenting report.

The Chair: OK. Mr Hardeman, how do you wish to deal with your recommendations? You have 17 recommendations. Do you wish to read them for the record, or do you wish to vote on them one by one? I'm open to your suggestions.

Mr Hardeman: Obviously, it's up to the Chair of the committee how you wish me to proceed. I do want to put on the record a number of recommendations that I am proposing to attach to our report as recommendations from our budget consultation, and what the Treasurer should consider as they're preparing a budget. But I'm

open to suggestions of how you wish to proceed, whether you wish for us to read them all into the record, then have a general debate as to which ones require further debate, and then have a vote on those.

The Chair: We probably should read them into the record, because they've just been circulated for the benefit of all the committee members. I think you should at least read them into the record, and then we can decide whether we vote on each recommendation one by one or take them all under one vote.

Mr Hardeman: I'll read it into the record then, starting with:

"The government should maintain its policies of strong fiscal management.

"The government should maintain a balanced budget.

"The government should continue to ensure that taxpayers' dollars are spent wisely.

"Tax cuts are an important stimulus to the economy. The government should fulfill its commitment to further reduce taxes to stimulate job creation and increase investment.

"The government should continue to further reduce the capital tax, with the goal of ultimately eliminating it, as it is a job killer and a disincentive to investment.

"The government should continue to promote policies that create a climate for strong private sector job creation and solid economic growth.

"The government should continue to support policies that assist small and medium-sized businesses.

"The government should continue its commitment to reducing red tape and eliminating barriers to doing business.

"The government should maintain its commitment to health care funding and continue to maintain a health care system that invests in priority services.

"The government should continue to call on the federal government to renew their commitment to health care and restore the CHST funding to 1994-95 levels.

"The government should continue to find ways to ensure that more of the education budget goes to the classroom—where it is needed most.

"The government should continue to find ways to ensure flexibility in education funding throughout the province.

"The government should continue to ensure that every willing and qualified student has a space available for them at a post-secondary institution.

"The government should continue to support programs and initiatives that ensure our children grow up in a healthy, safe and supportive environment.

"The government should explore RST transportation refunds for individuals with non-physical disabilities such as autism.

"The government should continue its commitment to capital infrastructure in the province of Ontario.

"The government should maintain its commitment to fund public transit and should continue to call upon the federal government to live up to its commitment to pay its share of public transit funding."

Those are the recommendations that were made.

The Chair: Is there any discussion or comments with regard to the recommendations?

Mr Kwinter: I don't like to do this, but I read through this. Given the reality of this committee, a lot of the things that are in here I can support in principle. I've gone through the 17, and there's hardly one that I can support in the way that it's written, because it then becomes political. If you had said, "The government should ensure strong fiscal management," no problem. When you say, "The government should maintain its policies of strong fiscal management," we then get into a polemic; you know, is it doing it? If they take the debt and they raise it by \$20 billion, is that sound fiscal management? So then you get into a whole debate, and on every single one of these things.

"The government should maintain a balanced budget." Well, you know, we've got legislation that mandates that.

"The government should continue to ensure that taxpayers' dollars are spent wisely." We could spend the whole day talking about whether taxpayers' money has been spent wisely.

What I'm suggesting is that, as I say, given the structure of the committee, it's unlikely that I'll get any of these things changed, because those changes that I'm making are critical of the statements because they imply things that may or may not be true. We don't have the time to debate it. So I would suggest that we accept this as tabled, and that I table ours. Whether the government members will accept it or not is, again, probably problematic, but I suggest we do that. Then what we're going to have to do is assume that the government side is going to support their recommendations. We on this side—and I'm not speaking for my colleague; he can speak for himself, and the NDP. He probably will oppose virtually every one of these things.

Again, just to give you an example, on number 15, I have no problem with that. I have a little bit of a problem with describing people with autism as not having a physical disability. I'm just saying that you can cherry-pick maybe one or two that will stand alone, but virtually every one of these things says that you should continue to do something, maintain doing something, but it becomes a point of discussion as to whether or not that should happen.

So I would suggest that we do that, that we're given time to put in a so-called dissenting point of view and go on from there rather than debate the whole thing.

Mr Spina: I can't repeat the words verbatim, Monte, but I can tell you that in looking at your recommendations, the Liberal recommendations, I would have exactly the same sentiments.

Mr Kwinter: Exactly. That's what I'm saying. That's the point I'm making.

Mr Spina: Because I can look at it, and while I understand some of them, there would be some so-extensive amendments to your recommendations that I could not support them either.

Mr Kwinter: That's exactly the point I was making.

Mr Spina: Thank you.

1520

Mr Christopherson: Well, Chair, I was in a much more co-operative frame of mind this morning before the government started throwing around its majority votes. I'm not interested in making this easy at all. You had no interest earlier in trying find a report that we could all stand on. I have no interest in making this easy. These recommendations are outrageous and I don't think we should be denied the opportunity to speak to them. I don't know what our time limits are. We can probably go till midnight, I think. I seek guidance on that before I go any further.

The Chair: I guess there are really no time limits.

Mr Christopherson: It's just this one meeting. We can't reconvene after we've adjourned.

The Chair: We can come back, as the clerk pointed out, when the House sits. But the direction we did get from the House is that we only have the one day.

Mr Christopherson: Which means we have until midnight.

Mr Spina: Isn't our normal meeting day till 6 for this committee?

The Chair: Only when the House is sitting.

Mr Christopherson: So literally we have till midnight. Therefore, there's ample time to discuss these recommendations and I think we should do so. I'm quite prepared to do so on behalf of the NDP.

Mr Spina: Do we need unanimous consent or a majority vote to discuss them in bulk?

Mr Christopherson: No vote; those are the rules.

The Chair: Each member is allowed 20 minutes on each motion to speak—a time limit of 20 minutes, every time the member speaks.

Mr Spina: I understand that. What I'm asking for is whether the question Mr Kwinter and ourselves brought forward, the question of whether the proposed recommendations are to be voted on in bulk or individually one at a time, needs unanimous consent or a majority vote in the committee?

The Chair: It needs unanimous consent in order to collapse all the recommendations into one vote.

Mr O'Toole: In the interest of having some harmony, we have actually adopted the report.

Mr Christopherson: There hasn't been a vote yet, because the recommendations are part of the report.

Mr O'Toole: I guess we have to come to some broad decision in terms of the draft copy of the report as amended and the attached recommendations, because we have three dilemmas. The government has a list of 17 recommendations which, as Mr Kwinter has said and Mr Christopherson has indicated, they will not be accepting for wording and semantics and a whole bunch of other reasons. Likewise with the seven Liberal—if I were to read some of those into the record, they're worded in such a way that they're actually distasteful. They're accusatory, they're political and the substance is not quite there in some of them. The NDP have absolutely nothing

in front of us. They can sit and procrastinate and criticize, with standing for nothing.

So my submission to you is that we would look at these as three separate attachments to the report. If they want to submit a minority report, which I'm sure they will, they have every right and will continue to do that. We could talk ad nauseam on these amendments.

Mr Christopherson: We're going to.

Mr O'Toole: I suspect that would be an abuse of the members' time here, without having—the point I'm making—any positive or negative input from the NDP members. I really fail to see where they've done any work or given this any considerable amount of research time or thought. They can disagree with ours, but at least we have something on the table to discuss. They have nothing on the table to discuss except to criticize both the government and opposition members. It's too bad, because there were in the main body of the report a number of things in general that we agreed on in terms of submissions. I don't think our recommendations, from any of the three parties, should change that. Part 1 is the report, and I would like to put a motion forward that we adopt the amended draft report and then deal with the submission of recommendations as a separate part.

The Chair: I think we're going to have to take a five-minute break. You've posed a question I cannot give you an answer to, so I'll have the clerk check on this. We'll recess for five minutes.

Mr Christopherson: Sorry, what are you recessing for? What are you clarifying?

The Chair: To get a ruling from the clerk's office on a rule of procedure. Mr O'Toole's asked a question as to whether we can deal with one part of the report and leave the recommendations outside. I want a ruling from the clerk's office.

Mr Christopherson: We went through this last time, but OK. So we're in a five-minute recess?

The Chair: Yes, five minutes.

The committee recessed from 1525 to 1548.

The Chair: If I can get your attention, we'll bring the standing committee on finance and economic affairs back to order.

Mr O'Toole, with regard to the motion, I need some clarification as to what your intent was. I stand to be corrected, but my understanding was that you wanted the committee to vote on the report submitted by the research department and to have the—what would you like to do with the recommendations? That's what I need clarification on.

Mr O'Toole: The second part was to adopt the recommendations from each of the caucuses without debate.

The Chair: My understanding is that we can have a motion to accept the draft report as submitted and as agreed upon, without the recommendations; we submit that as an interim report and then come back when the House sits again to consider the recommendations from the different parties. Is that what you're suggesting?

Mr O'Toole: If they want to spend more time on it. I would first deal with the report that we spent most of the

day on, as amended. I think we reached some consensus there, and the statements are on the record. Then the recommendations from each caucus, once we've seen them all and had a chance to analyze them. I suspect the first part is to adopt the report or vote on that and the second is to allow potentially another meeting, when the House convenes, to discuss the recommendations.

Mr Christopherson: A question, Chair, if someone can refresh my memory. Were the recommendations not part of the report last year?

The Chair: The report and the recommendations were voted on as one unit, yes.

Mr Christopherson: I remember the reason that happened was because we had this very discussion last year. I think if you look back you'll find the year before it was like that and the year before that that was the format. If they're suggesting something different, then I might say, because Mr O'Toole just talked about wanting time to reflect and consider the recommendations, there was no direction, no request given or discussion about when recommendations might be given. It would seem to me that if we want to have that discussion, if he wants to do it separately, then we should set a time frame and say to the caucus very specifically, "Here are your recommendations." It was my thought, obviously incorrect, that we would do the same as we did last year, which is that we would deal with the government recommendations and then there would be a final vote. That would be the end of the debate for this meeting and then there would be dissenting reports submitted from the two opposition parties. To me, it's either one or the other, but a hybrid version leaves us really nowhere, in my opinion.

The Chair: One of the things that throws a curve into the procedures here is I think that last year and the previous year the House was sitting when the committee was meeting. It's just that right now we do have a direction from the House that we can only sit on so many days and that we only have the one day to consider the report. That is what is creating some difficulties.

Mr Christopherson: If I can clarify—I know the answer to this question but I want to ask it anyway, for the record—are the recommendations of the dissenting caucuses included in the main report that goes to the Minister of Finance as part of the body of the voted-on report? For instance, there's the report, and if the government includes their recommendations and that becomes part of the whole report, is there an opportunity for the Liberal dissenting report and the NDP dissenting report to be a part of the voted package or is it going to be as it was in the past? That is, the report, government recommendations and then attached to that, although not voted on—the government doesn't vote on our dissenting report; it's a dissenting report.

The Chair: My understanding, and I stand to be corrected, is that, according to Mr O'Toole's motion, we would vote on the report that has been submitted—

Mr Kwinter: As amended.

The Chair: —as amended. However, there would be no recommendations from any party—neither from the

government nor any of the opposition parties—attached to that. That would be submitted to the Minister of Finance and the ministry as an interim report. However, if the committee wishes to come back, when the House resumes, to meet to consider the recommendations from all parties or from the government and the two opposition parties, then once they are voted upon they could also be submitted to the Minister of Finance and the ministry.

Mr Christopherson: The mandate of the committee was to hold hearings and to make recommendations. I'm not aware that there is a reference to "interim reports" and in light of that it seems to me that because it says "recommendations" the committee has to do more than just say, "We spent all this money and all this time and here's what we heard. It's as non-controversial as we could make it. This is just what we heard." That's not the idea. The idea is that we do that but we make recommendations, and it's at that point that we usually have a departure.

I'm not sure that an interim report is anything that has any status because, first, unless there is reference to an "interim" I'm not sure it exists legally and then, second, without recommendations we haven't fulfilled our mandate.

The Chair: You could fulfill the mandate at a later time, once the recommendations are voted upon and submitted. They would not be submitted with the interim report today but they could be submitted later on, when the House resumes.

Mr Christopherson: Again, you're using "interim report" like it has some kind of legal status. I'm not aware of where there is a reference to an interim report.

The Chair: The clerk has just pointed out to me that the standing committee on finance and economic affairs "is empowered to consider and report to the House its observations, opinions and recommendations on the fiscal and economic policies of the province and to which all related documents shall be deemed to have been referred immediately when the said documents are tabled." So, you're empowered.

Mr Christopherson: We don't have opinion in here. We don't have recommendations. All it is is observations and even that we couldn't agree on. I'm just making the argument, I guess, putting forward the argument to you, Chair, that anything less than a report and recommendations is nothing. We haven't fulfilled our mandate that we have to have some kind of recommendations, even though I'm going to disagree with them because the majority is the government. Nonetheless it is only a proper report if it has opinions and recommendations. Right now it doesn't. It's just a reflection of as close to agreement as we can get on what we heard. That's not advice, opinion or recommendations.

The Chair: No, but the committee has the final say at the end of the day. They're empowered to deal with the report as they see fit. If they want to submit the amended report that we have in front of us as an interim report, or whatever you want to call it, and deal with the recommendations at a later date, they still fulfill the mandate.

They don't fulfill it today maybe, but they do fulfill it at some later date once the House resumes.

Mr Christopherson: I would say to you, then, Chair, if the recommendations aren't done before the budget is dropped, which is possible, we can't fulfill the mandate. How can you give recommendations after action has already been taken?

The Chair: You're assuming that the recommendations would not be filed with the minister prior to the budget being dropped. If they are filed prior to that, then the mandate certainly would be fulfilled.

Mr Christopherson: And conversely, you're suggesting that there is going to be ample time, and there's no guarantee of that.

The Chair: No, I'm not suggesting—I don't know when the budget's going to come. I'm only—

Mr Christopherson: I don't either, but without knowing that date and knowing that we can get recommendations passed beforehand, how can we fulfill our mandate? How can we be sure we're fulfilling our mandate when we vote not to deal with recommendations today?

The Chair: You do have a point because, like I said, I don't know. All I'm saying is that if you file the recommendations prior to the budget being handed down, there's no doubt that you're fulfilling the mandate according to the—

Mr Christopherson: And if we don't?

The Chair: However, keep in mind that the committee's only empowered to report. It doesn't mean we have to.

Mr Christopherson: We've spent an awful lot of time and money for nothing then.

The Chair: I'm just going by the standing orders.

Mr Christopherson: I hear you.

Mr Hardeman: Mr Chairman, I think that's exactly the point that I get from the direction that the committee has. Our mandate is that we are empowered to have the public hearings. We're empowered to make such recommendations as we deem appropriate as a committee and to report back to the House if we deem reporting back appropriate. There's nothing in that direction that says, "You must do this, this, this, this." It says you are empowered to do any or all of these items as the standing committee. I believe that a number of things are possible. A member of the committee proposed a motion which was to adopt the amended draft report as it was presented to us and to have that completed and prepared to report. I think the Chair has ruled that that is a possibility, that that can be done. Whether there are other things the committee can do within the realm of what needs to be done I think is an item that's worth having a debate about once we've dealt with the motion that the committee member has put forward and that the Chair has ruled is an appropriate motion.

Mr Spina: I would disagree with Mr Christopherson from the perspective that even though the committee is empowered, it has the right to submit the report, the consultations are not a waste of time. The reality is that

the report and all of the input that has been gathered by this committee from the delegations goes to the Minister of Finance for full and complete consideration, and whether we make a recommendation at this point or two days after the House resumes—and we don't even know when that date is—it doesn't matter. The input will go to the Minister of Finance at some point. But the reality is that the Minister of Finance will have had the benefit of all of the input from the delegations and the report as amended by this committee as a guideline for his or her considerations in creating the new budget.

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Mr Kwinter: The reality of the situation is that we have, I assume, unanimity in the report.

Mr Christopherson: No.

Mr Kwinter: We don't?

Mr Christopherson: No, I said that before, when the government wasn't prepared to entertain real discussion. They moved a motion that said, "Leave things the way they are." I couldn't even get a motion on the floor to consider language. I told them at that time, and they proceeded to ram things through that I disagree with. So, no, you don't have unanimity.

Mr Kwinter: OK, then let me put it this way: I don't think there's any doubt that we have majority support of this committee to approve the report, as amended. I don't think there's any question about that. In the past, notwithstanding that we have done that, we have always submitted a dissenting report of the other caucuses. The practical effect of the government's recommendations is that that is their dissenting opinion, because the other two caucuses are not going to support it anyway.

So it would seem to me that we should proceed with a vote on the report. There should be a time set for the caucuses, as there has been in the past, to submit a dissenting report. That becomes a part of the public record. That is where you can table your recommendations, we can table ours, the NDP can table theirs. I don't imagine that anything is going to change. They will make their particular recommendations and we will make ours. They will be a part of the report and they won't get unanimous consent; they will get consent of the majority of the people on the committee.

To sit and discuss this just isn't practical. I think that we should call for a vote on the report, submit that, set a date—to give you an example, I would like to be able to get back to my colleagues and look at the recommendations made by the government to suggest how we could possibly change them to make them acceptable, if that is a possibility. You might want to do the same thing with ours. But no matter what we do, we certainly plan to provide a dissenting report. I think the only question that we have to decide is, what is the time frame for having that report prepared?

Mr Christopherson: Can I make one more point?

The Chair: Yes, certainly.

Mr Christopherson: I would ask any one of the government members to respond. But your recommendations are here. In the past, they've been a part of the

report that was forwarded. It seems to me the only reason you wouldn't do it today is because you just don't want to spend the time doing it. Now, if there's another good reason why not, I'd sure like to hear it.

The Chair: Any comments? Mr Kwinter, you're quite right: we can vote on the amended pre-budget draft report that's been submitted to us today. The only question I need to clarify is with regard to the dissenting opinions, whether we have to wait until the House comes back. That's my gut feeling.

This is quite technical, I must admit. I guess we do have the ability to set a date to have the dissenting opinions. The date would be set by the committee, to be attached to the report itself. It would appear that we can proceed in this manner, as you suggested.

I need one more clarification, because I'm still not clear with regard to government recommendations, whether they can be attached or not; we'll get a ruling on that. But we can get the opposition's dissenting opinions attached to the report, once it's voted upon. I think this is what you suggested. Is that clear? So as soon as I get the clarification on this, we'll proceed to deal with the amended pre-budget draft report.

Mr Christopherson: I suspect that one of the things we're going to be into is that the dissenting reports can be attached as addendums or schedules but the government recommendations are different in that, as a rule, the body of the report is supported, as Mr Kwinter has pointed out, by the majority of members—I'm not talking about caucuses but the majority of members—and the same with the recommendations. If the recommendations don't have a vote, they really don't have status.

The Chair: All right, I think we've got this cleared up. Under section 129(c) of the standing orders of the Legislative Assembly, it states, "Every member of the committee, other than the Chair, shall be permitted to indicate that he or she dissents from a particular recommendation or comment. The committee shall permit a member to express the reasons for such dissent in an appendix to the report." So I think what it states is that once we have voted on the amended pre-budget draft report, all parties would be able to submit their dissenting opinions to be attached to the report itself, according to 129(c).

Mr Christopherson: Question: that captures the dissenting reports of the Liberal caucus and the NDP caucus—

The Chair: And the government too.

Mr Christopherson: How many times does the government get to vote? Are they going to dissent from something they supported in the majority?

The Chair: No, because it does stipulate, with regard to dissenting opinions, "Every member of the committee, other than the Chair, shall be permitted to indicate that he or she dissents from a particular recommendation or comment." So it would appear to me that all parties would be able to submit a dissenting report attached to the—

Mr Christopherson: But what if you agree with the report and you aren't dissenting, you're supporting the report with recommendations. How can they have it both ways? How can they support the report and then give a dissenting report?

The Chair: They don't have to submit one, I would imagine.

Mr Christopherson: So the only recommendations then would be from the Liberals and the NDP. There would be no recommendations from the government members.

The Chair: It would be up to the committee members to decide. It would be up to the government side to decide what they would submit. It's not up to the Chair to decide what is dissenting or not. It's up to each side to decide what is dissenting.

If there's no further discussion, Mr O'Toole has moved that we vote on the amended pre-budget draft report. Mr Christopherson, I think you wanted a recorded vote all day long, so we'll ask for a recorded vote.

Ayes

Hardeman, Kwinter, Molinari, O'Toole, Spina.

Nays

Christopherson.

The Chair: The motion carries.

As a committee, we have to set a date as to when each party would like to submit their dissenting report. I'm looking for direction from the committee on this.

Mr Spina: I move that the committee dissenting reports must be in one week from today. Is that reasonable?

Mr Kwinter: I have a request from my colleague, who is not going to be available next week and who has asked if we could do it in two weeks. I'll modify—

The Chair: I'm sure you realize that we don't sit. We don't meet. They will just be sent. The dissenting comments will be sent to the clerk to be attached to the report.

Mr Spina: Two weeks is fine, because the budget won't come down before then.

The Chair: So you move that we submit the—

Mr Kwinter: That that date is two weeks from today.

The Chair: Two weeks from today, whatever date it is. It's the 18th. Mr Kwinter has moved that. All those in favour?

Ayes

Christopherson, Hardeman, Kwinter, Molinari, O'Toole, Spina.

The Chair: That carries. Then we have to vote on the following: shall a confidential copy of the report, with dissenting opinions, be presented to the Minister of Finance before it is tabled in the House? All those in favour of that motion?

Ayes

Christopherson, Hardeman, Kwinter, Molinari, O'Toole, Spina.

The Chair: That carries. Shall the report be sent for translation and printing? All those in favour?

Ayes

Christopherson, Hardeman, Kwinter, Molinari, O'Toole, Spina.

The Chair: That carries. Shall the Chair be authorized to table the report in the Legislature? All those in favour?

Ayes

Christopherson, Hardeman, Kwinter, Molinari, O'Toole, Spina.

The Chair: That motion carries. That's it. This committee is now adjourned.

The committee adjourned at 1612.

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